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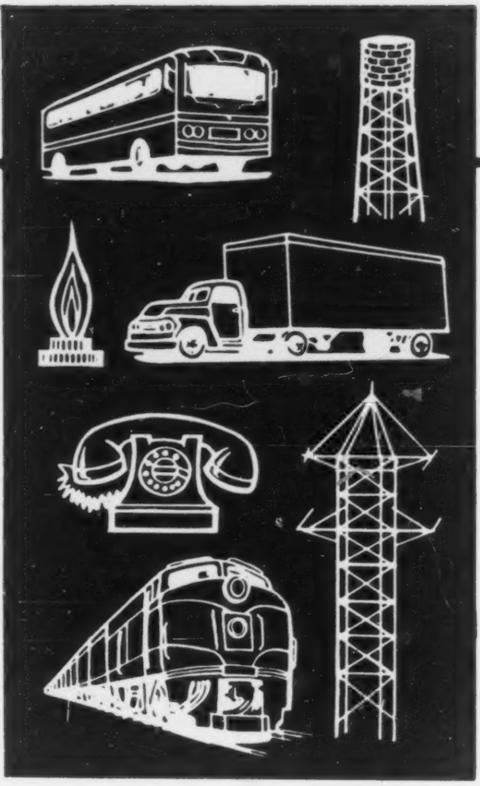

North Carolina Utilities Commission

1982 Report — VOL. XIV

Major Activities — October 1980 through June 1982
with
Statistical and Analytical Data Through 1980

LETTER OF TRANSMITTAL

June 30, 1982

The Honorable James B. Hunt, Jr.
The Governor of North Carolina
Raleigh

Dear Governor Hunt:

We hereby present for your consideration the 1982 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period October 1980 through June 1982 with statistical and analytical data for the operations of the utilities through 1980.

Respectfully submitted,
Robert K. Koger, Chairman
A. Hartwell Campbell, Commissioner
Leigh H. Hammond, Commissioner
Edward B. Hipp, Commissioner
Douglas P. Leary, Commissioner
Sarah Lindsay Tate, Commissioner
John W. Winters, Commissioner

Prepared by

North Carolina Utilities Commission
Finance, Statistics, Budget & Planning Division
P.O. Box 991 — Raleigh, N.C. 27602
Telephone No. 919/733-7680

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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART.

There were seven commissioners and 81 funded positions comprising the Commission Staff as of June 30, 1982. Commissioners are appointed by the Governor subject to confirmation by the General Assembly in joint session.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners & Supervisory Personnel
As of June 30, 1982

Commissioners

Robert K. Koger, Chairman

A. Hartwell Campbell
Commissioner
Dr. Leigh H. Hammond
Commissioner
Edward B. Hipp
Commissioner

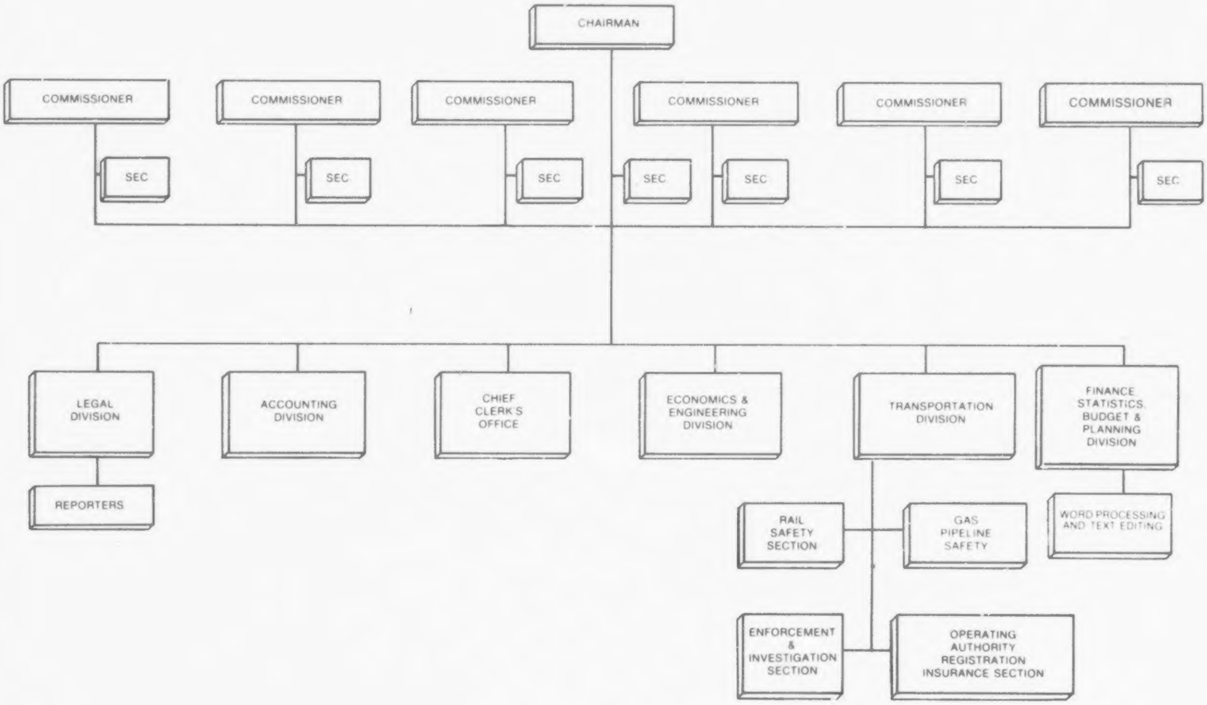
Douglas P. Leary
Commissioner
Sarah Lindsay Tate
Commissioner
John W. Winters
Commissioner

Staff Heads & Directors

Chief Clerk	Mrs. Sandra Webster
Legal Division	Robert P. Gruber
Accounting Division	Donald R. Hoover
Engineering Division: Electric	David F. Creasy
Finance, Statistics, Budget & Planning Division	Joseph W. Smith
Transportation Division (Includes Motor, Rail and Gas Pipeline Safety Activities)	I. H. Hinton

FIGURE NO. 1

COMMISSION STAFF — ORGANIZATION CHART
JUNE 1982


CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER
SEC
SEC
SEC
SEC
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SEC
LEGAL DIVISION
REPORTERS
ACCOUNTING DIVISION
CHIEF CLERK'S OFFICE
ECONOMICS & ENGINEERING DIVISION
TRANSPORTATION DIVISION
RAIL SAFETY SECTION
GAS PIPELINE SAFETY
ENFORCEMENT & INVESTIGATION SECTION
OPERATING AUTHORITY REGISTRATION INSURANCE SECTION
FINANCE STATISTICS, BUDGET & PLANNING DIVISION
WORD PROCESSING AND TEXT EDITING

B. BIOGRAPHICAL SKETCH OF COMMISSIONERS

Robert K. Koger, Chairman: Born September 10, 1936, in Byrdstown, Tennessee; University of Tennessee (BS), North Carolina State University (Master of Economics), Ph.D. candidate in industrial engineering; REA Telephone Communications Engineer (1958-67), NCUC Utilities Engineer (1967-70), Director of NCUC Engineering Division (1970-77); assumed Commissionership May 24, 1977, current term ends June 30, 1989; married (Jeanne), three children.

A. Hartwell Campbell, Commissioner: Democrat; born October 8, 1916, in Buies Creek, North Carolina; Campbell College (AA), Wake Forest University (BS), University of North Carolina, Yale University (BD); minister of church (1941-46), manager and owner of radio and television stations (1946-79), member of State Physical Fitness Commission, member of Greenville City School Board (1958-63) and City Council (1963-64), State representative (1969-79); assumed Commissionership July 2, 1979, current term ends June 30, 1987; married (Verda), three sons.

Leigh H. Hammond, Commissioner: Born July 4, 1929, in Seneca, South Carolina; Clemson University (Economics Degree), University of Tennessee (MS), North Carolina State University (Ph.D.); U.S. Army officer (1952-54), Director of Statistics and Economics for National Carriers Association (1962-64), Professor of Economics, North Carolina State University (1964-77), Director of North Carolina Coastal Plains Regional Commission (1969-70), Deputy Secretary of North Carolina Department of Administration (1970-73), Assistant Vice Chancellor of North Carolina State University (1973-77), Member of North Carolina Marine Sciences Council (1971-75), author; assumed Commissionership May 24, 1977, current term ends June 30, 1985; married (Cynthia), four children.

Edward B. Hipp, Commissioner: Born August 30, 1921, in Charlotte, North Carolina; Davidson College (BS), University of North Carolina (JD); U.S. Army officer (1942-46) (awarded Silver Star and Purple Heart), private law practice (1953-62), staff tax attorney and Revisor of Statutes for North Carolina Attorney General's Office (1950-53), special counsel for North Carolina General Statutes Commission Utility Law Revision (1962-63), North Carolina UC General Counsel (1963-77); assumed Commissionership October 21, 1977, current term ends June 30, 1989; married (Dorothy), three children.

Douglas P. Leary, Commissioner: Democrat; born June 1, 1935, in Tyner, North Carolina; East Carolina University (BS-Business Administration); United States Army (1954-56, served in Korea); Carolina Telephone & Telegraph Company (1960-61), Executive Staff Assistant at Four County Electric Membership Corporation (1961-72), General Manager of Wake Electric Membership Corporation (1972-79); assumed Commissionership January 1, 1980, current term to end June 30, 1985; married (Becky), three sons.

Sarah Lindsay Tate, Commissioner: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh private law practice; assumed Commissionership May 24, 1977, current term ends June 30, 1985; one daughter.

John W. Winters, Sr., Commissioner: Born January 21, 1920, in Raleigh, North Carolina; Virginia State College, Shaw University (LLD-Honorary); Raleigh City Councilman (1961-67), State Senator (1974-77), real estate broker and builder, Vice Chairman of Human Relations Commission (1963-69), civic activist; assumed Commissionership July 1, 1977, current term ends June 30, 1983; married (Marie), seven children.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Dr. Fischbach was named Executive Director on September 13, 1979. From July 1, 1977 until this appointment he had been serving as a member of the North Carolina Utilities Commission; prior to that he had been employed in the private sector as a research scientist. Dr. Fischbach holds B.S. degrees in Mathematics and Physics from the University of Richmond. He earned his Ph.D. in Physics from the University of Virginia.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of June 30, 1982, there were an Executive Director and 86 funded positions comprising the Public Staff of the North Carolina Utilities Commission.

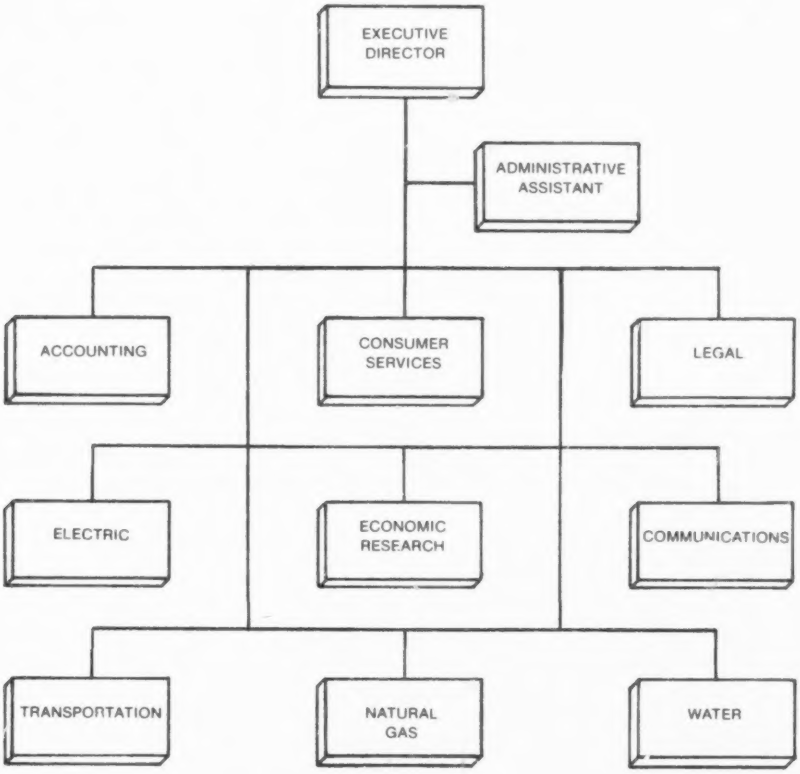
PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
June 30, 1982

Executive Director
Dr. Robert Fischbach

Administrative Assistant	Mary H. Cameron
Accounting Division	Nancy B. Bright
Communications Division	Gene A. Clemmons
Consumer Services Division	J. Craig Stevens
Economic Research Division	Richard G. Stevie
Electric Division	Dennis J. Nightingale
Gas Division	Raymond J. Nery
Legal Division	Vacant
Transportation Rates Division	James C. Turner
Water Division	Jerry H. Tweed

FIGURE NO. 2

PUBLIC STAFF — ORGANIZATION CHART
JUNE 1982


EXECUTIVE DIRECTOR
ADMINISTRATIVE ASSISTANT
ACCOUNTING
CONSUMER SERVICES
LEGAL
ELECTRIC
ECONOMIC RESEARCH
COMMUNICATIONS
TRANSPORTATION
NATURAL GAS
WATER

E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat or canal companies, express and telegraph companies.

The major changes occurring in North Carolina regulatory field since 1891 are in chronological order as follows:

1893—Telephone industry brought under regulation.

1897—Street railways brought under regulation.

1899—Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900—The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905—Supervision of building and loan association transferred to State Insurance Commissioner.

1913—Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925—Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931—Transfer of banking department to the Commissioner of Banks.

1933—The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate commissioners.

1937—Administration of Capital Issues Law transferred to Secretary of State.

1941—The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1947—Motor Vehicle common and contract carriers of property over irregular routes brought under regulation and regulation implemented.

1949—Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five commissioners and a technical staff of engineers, accountants, and directors of transportation added.

1963—The utility laws of North Carolina updated and rewritten.

1965—Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967—The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts. (G.S. 62-90)

1969—The following amendments to the General Statutes 62 known as the Public Utilities Act are of interest to the general public and the regulatory agency:

a. *Register ICC Exemptions.* Authorization for the Commission to require *all* interstate carriers to file copies of their respective interstate authority or register their *exempt* operation. The registration for the ICC exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. *Inspect Utility Affiliate Records.* Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G.S. 62-51)

c. *Furnish False Information to the Utilities Commission; Failure to Furnish Information to Commission.* Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. *Radio Common Carriers.* Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the land-line telephone company has heretofore protested certificates of radio common carriers. (G.S. 62-120)

1971—The following amendments to the General Statutes 62, known as the Public Utilities Act, where approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities

Commission was transferred to the Department of Commerce. (G.S. 62-10)

b. *Safety Standards for Interstate and Intrastate Natural Gas Pipelines.* Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. *How Rates Fixed—Natural Gas Distribution Companies.* Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. *Change in definition of "Public Utility."* Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973—The following amendment to the General Statutes 62, known as the Public Utilities Act, were approved by the General Assembly in the current year:

a. Change in definition of "public utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utility Commission has no authority in respect to rates or charges for service until July 1, 1974. (G.S. 62-3 (23) f)

Related Statute - Electrical Service in Urban Areas. **Authority and Jurisdiction of Utilities Commission** G.S. 160-A-334 rewritten as follows:

If N.C. Utilities Commission finds that service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to:

Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier, and to order such secondary supplier to cease and desist from furnishing electric service.

1974—The following selected Legislative Bills of significance to the operations of the utilities, the utilities ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62, known as the Public Utilities Act:

a. *How Rates Fixed - Small Water and Sewer Utilities.* The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. (G.S. 62-133.1 (a))

A water or sewer utility may enter into uniform contracts with non-users of its utility service within a specific subdivision or development for the payment by such non-users to the utility of a fee or charge for placing or maintaining lines or other facilities or, otherwise, making and keeping such utility's service available to such non-users which in effect is an availability charge. (G.S. 62-133.1 (b))

b. *Future Test Period Authorized.* Authority given to the Commission, in its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data. (G.S. 62-133(c)) (The General Assembly, during the 1975 Session, amended G.S. 62-133(c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. *Less than the Full Commission May Hear Small Utility Rates Cases* — In matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000 even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to $100,000 by 1977 legislative amendment. Increased to $300,000 by 1981 legislative amendment.

1975—Major legislation affecting the regulation of utilities:

a. *Definition of the term "Panel."* Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. *Increase in the number of Commissioners from five (5) to seven (7).* All Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session. (G.S. 62-10)

c. *Initiation of Management Audits.* Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. (G.S. 62-37 (b))

d. *Procedure before the Commission.* The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. *Long Range Forecast.* The Commission is required to develop, publicize and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Power Commission. (G.S. 62-110.1 (c, d, e, f))

f. *Rate Changes due Solely to Changes in Cost of Fuel.* Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued not later than ninety (90) days from the filing Date. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act the Commission adopted a new Rule, R1-36 which prescribes the information and exhibits required to be filed with the application. (G.S. 62-134 (e) and (f))

1977—Major legislation affecting the regulation of utilities:

a. *Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public.* The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve; and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission.

The Public Staff has the duty and responsibility to review, investigate, intervene and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for services, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the public, contracts of public utilities with and between affiliates or subsidiaries and the issuance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations or to the laws, rules or regulations of common, contract and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers or the operation of motor vehicle equipment. (For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).)

b. *Gifts to Members of Commission, Commission employees, or Public Staff unlawful.* — Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. *Public Staff Provision Renewable After Four Years.* — Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission. (Session Laws 1977, c 468, s. 23)

d. *Lifeline Rate Study.* — Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for Consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the higher rates was causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking and refrigeration in their primary place of residency.

e. *Use of Original Cost plus Construction Work in Progress (CWIP) of public utilities property for ratemaking purposes to be effective with respect to rate applications filed on and after July 1, 1979.* — Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of policy" by adding a new subsection (5) which reads as follows:

> "(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the Commission shall not include any capitalized allowance for funds used during construction on the construction work in progress included in the utility's rate base."

(See Session Laws 1977, c. 691, ss. 2 & 3 for details of amendments to G.S. 62-133.)

f. *Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities.* — This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c. 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. *Uniform and Joint Rates Among Carriers of the Same Class Authorized.* — Historically, tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. (G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.)

1979
& —Major legislation affecting the regulation of
1980 utilities:

a. *Office of Executive Director and the Public Staff made Permanent on April 10, 1979.* These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. *Gas Pipeline Safety Standards Authority Expanded.* The Utilities Commission authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979 c 269, G.S. 62-50)

c. *Ex-parte Communications.* The act was amended which forbids any nonwritten communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70(g) (Session Laws 1979, c 332, S.2.)

d. *Encouragement of Co-generation of Electricity.* Co-generation of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. (G.S. 62-110.1(g))

e. *Power Sales by Small Power Producers.* In the event that a small power producer and an electric utility are unable to mutually agree to a contract for the sale of electricity or to a price for the electricity purchased by the electric utility the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. *Security Provisions Relating to Access to Nuclear Power Facilities and/or Control over Nuclear Material.* The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment with or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. *Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt from Regulation.* Motor passenger carriers engaged in "Charter Party" service for senior citizens (60) years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety and registration regulations of motor passenger carriers and their vehicles. (G.S. 62-260 a(18)) (See Session Laws 1979, c 204.)

1981—Major Legislation Affecting the Regulation of Utilities:

a. *Rate-setting Hearings Nonmandatory When There Is No Significant Public Protest and All Parties Are in Agreement.* When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the proceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. (G.S. 62-81(f)) (HB 530)

b. *Commission Authorized to Decide the Level of Interest to Add to Customer Refunds.* The Commission under the amended law can decide the level of interest rate public utilities must pay on refunds of moneys to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the only rate was six percent (6%) per annum. (G.S. 62-130(e) and G.S. 62-135c) (HB 531)

c. *The Utility Company Shall Be the Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings.* The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. (G.S. 15(h)) (HB 529)

d. *Employment of Temporary Court Reporters With Costs to Be Borne by Individual Utility or Utilities.* The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters in addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A & B utility. The costs for these court reporters are to be charged directly to the involved utility or utilities. (G.S. 62-7(d)) (SB 639)

1982—Major Legislation Affecting the Regulation of Utilities (1982 Short Session)

Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for Rate-making Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last preceding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment, there were fuel costs adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management or poor plant performance. The old fuel adjustment procedure in G.S. 62-134(e) is repealed.

CWIP changes for rate-making purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-133(b)(1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question."

Prior to this change (since July 1, 1979) in the wording of G.S. 62-133(b)(1), the Commission had been required to include in the rate base for rate-making purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

FIGURE NO. 3

NORTH CAROLINA UTILITIES COMMISSION
SUMMARY OF THE SOURCES AND EXPENDITURES

Fiscal Years Ended June 30, 1980 and 1981

	June 30, 1980[1]			June 30, 1981[1]		
	Commission	**Public**	**Combined**	**Commission**	**Public**	**Combined**
Sources						
General Fund Appropriation	$871,177	$1,839,009	$2,710,186	$1,054,134	$2,222,484	$3,276,618
Other Receipts:						
State Highway Commission	487,660	—0—	487,660	589,408	—0—	589,408
Fees Collected	348,790	168,662	517,452	471,708	168,974	640,682
Sale of Publications; Duplicating Services, Misc.	120,725	8,400	129,125	86,395	50,031	136,426
U.S. Dept. of Transportation	21,316	—0—	21,316	36,842	—0—	36,842
U.S. Pipeline Safety Program	63,254	—0—	63,254	78,535	—0—	78,535
Contracted Services — F.E.A. Grant	397,280	7,920	405,200	355,774	251,671	607,445
Transfer — Prior Year	104,849	—0—	104,849	87,235	166,777	254,012
	$2,415,051	$2,023,991	$4,439,042	$2,760,031	$2,859,937	$5,619,968
Expenditures						
Payroll & Related Items	$1,650,714	$1,847,429	$3,498,143	$1,927,967	$2,257,677	$4,185,644
Legal & Consulting Fees	21,781	22,165	43,946	87,258	129,123	216,381
Contracted Services	397,314	7,920	405,234	306,271	303,976	610,247
Materials & Supplies	41,015	5,838	46,853	55,112	7,420	62,532
Travel	60,973	41,611	102,584	85,806	61,807	147,613
Postage, Telephone, Utilities	50,714	34,087	84,801	57,566	34,471	92,037
Printing & Reproduction	44,952	3,141	48,093	40,587	3,784	44,371
Data Processing Service	15,289	15,580	30,869	7,958	19,766	27,724
Employee Educational Expense	415	3,931	4,346	485	1,440	1,925
General Expense[2]	48,679	27,350	76,029	54,279	28,803	83,082
Insurance & Bonding	3,030	—0—	3,030	3,449	—0—	3,449
Office Furniture, Equipment, Books	20,047	14,939	34,986	58,180	11,669	69,849
Automobiles — Safety Dept.	60,128	—0—	60,128	75,113	—0—	75,113
	$2,415,051	$2,023,991	$4,439,042	$2,760,031	$2,859,936	$5,619,967
Number of Funded Positions	82	86	168	81	86	167

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[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977, the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] Includes rent of office space and equipment, dues and subscriptions, and other service and expense classed as miscellaneous.

II. Selected Commission Activities September 1980 through June 1982

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image and making its activities open for participation by the using and consuming public and other interested parties. The table below shows the number of formal hearings for which a portion of the hearings were held in the service areas of the utilities involved; many of these hearings were held at night.

	Fiscal Years Ended June 30th				
	1977	1978	1979	1980	1981
Total Formal Hearings Held	262	225	269	339	271
Number of Hearings Held Away from Raleigh in Utility Service Areas	40	42	63	72	58
Percent of Total Hearings Away	15%	19%	23%	21%	21%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues with which the Commission, the Public Staff, and all other participants must deal.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also, news releases are made of important Commission decisions and activities. All Commission weekly (Monday mornings generally) conferences where issues before the Commission are acted on are open to the public as a spectator or participant.

B. ELECTRIC

1. Load Forecast—N.C. Electricity Needs (1981-1995)

On April 20, 1982, the Commission released its annual (1980-81) forecast of electricity growth rates. The probable annual growth rate in peak demand and kWh sales for the period 1981-1995, taking into account conservation measures and load management as appear likely, are:

	% Annual Growth Ranges		
	Peak Demand		
Company	Summer	Winter	kWh Sales
CP&L	3.4-4.1%	3.4-3.5%	3.3-4.3%
Duke	4.3-4.5%	4.1-4.1%	4.5-4.7%
Vepco	2.1-3.8%	2.8-3.9%	3.0-4.0%

These growth rates are lower than previously predicted. The forecast found that the appropriate generating reserve capacity for all three companies should continue to be about 20%. (Commission Order containing forecast data is designated Docket No. E-100, Sub 40.)

The Commission has found in earlier dockets, including the previous load forecast docket, that the most economical method of electric generation for Duke, CP&L, and Vepco is a combination of hydroelectric generation and coal-fired and nuclear-fueled steam generation. Therefore, the Commission recognizes the need for base load nuclear and coal-fired power plants and centralized hydroelectric peaking plants in North Carolina during the planning period of the forecast. The Commission also recognizes, however, that conservation, load management, and the development of alternative energy sources will play an increasingly larger role during the latter years of this century. The current load forecast of the Commission is based in large part on the premise that conservation and load management efforts are not a temporary phenomenon but represent permanent changes in the attitude of society toward the use of energy. More recently, the Commission has authorized the establishment and funding of a North Carolina Alternative Energy Corporation in order to develop more efficient uses of energy resources.

2. The Alternative Energy Corporation

CREATION AND STRUCTURE

The State of North Carolina responded to its own particular energy challenge by establishing the North Carolina Alternative Energy Corporation (AEC) to identify, adapt, and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC was established by the North Carolina Utilities Commission in 1980 after a series of public hearings that explored the state's energy situation. The Commission concluded that a statewide organization was needed to concentrate on solving electricity-related energy problems. The Commission structured the AEC as a quasi-public, nonprofit, private corporation and secured financial support for the Corporation from both regulated and nonregulated electric suppliers in North Carolina.

The AEC is specifically charged with (1) finding and implementing alternative energy systems which can moderate the growth of electric demand in North Carolina and (2) working to shift peak demands for electric power in a cost-effective manner. To accomplish this, the AEC is actively working on both electrical demand reduction systems and alternate energy supply systems.

AEC efforts are divided into industry, buildings, utilities, communities, and agriculture programs. The AEC is developing and adapting a variety of energy efficiency techniques such as conservation, cogeneration, and load management. Alternative supply technologies which utilize our wind, wood, and solar resources are among those which offer promise for meeting requirements for heat and power in North Carolina.

The AEC is governed by a Board of Directors composed of both public and utility representatives. The six utility organizations which provide funding for the AEC each appoint a director. These directors represent the state's four investor-owned generation/transmission/distribution utilities (Carolina Power & Light Co., Duke Power Company, Nantahala Power and Light Company, and Virginia Electric & Power Co.), the association of electric cooperatives (North Carolina Electric Membership Corporation), and the association of municipal electric systems (ElectriCities).

The Governor of North Carolina appoints the remaining seven directors, one of whom must be the Chairman of the Board. The public directors presently serving bring a rich variety of experience to the Board. Three public members have backgrounds in industry—textile, agriculture, and solar equipment. Two members serve as faculty at major universities. Two have backgrounds of community service; one as a former state senator, the second with extensive work with local and statewide public interest groups.

The six utility organizations contribute to the AEC in proportion to their kilowatt-hour sales. The AEC operates with an annual budget of approximately $2.0 million which is further supplemented by funds from outside sources where jointly funded projects are attractive.

The AEC structure combines the flexibility and quick response of a private corporation with the public accountability inherent in a quasi-public organization. As such it encourages high levels of cooperation among all major actors in energy within North Carolina. Corporate flexibility allows projects to be implemented that precisely address important issues in order to accelerate widespread application of alternative energy technologies and techniques.

OBJECTIVES

Valuable improvements in energy use have already been made in North Carolina. Utilities, industries, private citizens, and government have all begun to respond to higher energy prices, to the possible consequences of disrupted energy supplies, and to new technologies and techniques. The AEC is building on the progress made and helping to focus state efforts toward areas of maximum effective impact in the near future. In order to produce the greatest benefit from limited financial and personnel resources, the AEC does not fund work that is too long term, too risky in realizing its outcomes, or too restricted in its usefulness. Projects in which AEC participation would be too small to have any noticeable influence on final results are also unattractive to the Corporation. Instead the AEC concentrates its efforts on applied research to complete the development and market adoption of alternative energy technologies which will begin to be used in the near term and which will result in significant long-term benefit to electric ratepayers.

In this context, there are six important objectives for the AEC. The first recognizes the importance of promoting a broad understanding that alternative energy systems are credible methods of providing the energy services that we require. The remaining objectives are derived from this basic premise. The second objective addresses the need to increase the energy efficiency of local and state government operations. The third objective recognizes the important role that industrial cogeneration can play in providing economical electrical energy and capacity. Encouraging effective energy investment throughout the residential sector is another objective. The unique nature of the AEC as a focus for projects of common interest and usefulness to the utilities of the state provides the vehicle for carefully designed assistance to help utilities enhance the effectiveness of their own programs in conservation, load management, and alternative technologies. The final Corporation objective is to alert the state promptly to the potential contributions from new energy technologies, systems, and techniques.

3. CWIP—Mandatory Inclusion in Rate Base Rescinded by the Legislature

On June 17, 1982, in a called short session, the North Carolina General Assembly enacted into law language changes in G.S. 62-133(b)(1) that had the effect of rescinding the mandatory inclusion in the rate base of Construction Work in Progress (CWIP) for rate-making purposes. The change in the statute from "shall be included" to "may be included" gives the Commission discretionary powers on this matter. The mandatory inclusion had been in effect since July 1, 1979, and had provided millions of additional dollars for the utilities. Because of large construction programs, it was estimated that Carolina Power and Light Company had received about $79 million a year due to the inclusion of CWIP and that Duke might receive about $29 million and Vepco about $6 million annually. The real impact of this change in the treatment of CWIP on the consumers and on the ability to raise capital by the utilities depends to a large degree on the extent to which the Commission continues to allow all or a portion of CWIP in the ratemaking process.

4. Fuel Costs—Procedures Changed

The Legislature on June 17, 1982, amended G.S. 62-133 by adding a new section 133.2 that changed the number of times per year the Commission would consider changes in rates due to changes in fuel costs from three times to only one time for each utility within 12 months of the last general rate case. Only one adjustment on an annual basis will be considered if no general rate case has been held in the past 12 months' period. Also, this new legislation permits the Commission to consider the efficiency of management and economic operations of the utility when determining the amount of the increase or decrease to allow in the fuel cost adjustment.

C. CONSUMER POCKETBOOK ISSUES

1. General Rate Case Decisions 1970-1981

A summary of the Commission decisions in general rate cases for the 11-year period 1970 through December 1981 for the electric, gas, and telephone groups shows that 68.7% of the amount requested has been granted. Broken down by groups, the amounts granted were: electric, 79.2%; gas, 66.7%; and telephone, 56.3%. (See Figure No. 4 for yearly totals.)

The amounts granted since July 1, 1977, the effective date of the reorganized Utilities Commission as mandated by the 1977 Session of the General Assembly of North Carolina, are several percentage points lower for the electric and a few points higher for the telephone and the natural gas utilities.

General Rate Case Results

Period	Group	Requested (1,000s)	Granted (1,000s)	% Granted
1970-June 30, 1977	Electric	$ 562,787	$ 478,899	85.1
	Gas	29,120	18,531	63.6
	Telephone	198,880	108,050	76.6
Sub Total		$ 790,787	$ 605,480	76.6
July 1977-December 31, 1981	Electric	$ 738,173	$ 551,706	74.7
	Gas	34,193	23,712	69.3
	Telephone	241,242	139,575	57.9
Sub Total		$1,013,608	$ 634,993	62.6
1970-December 31, 1981	Electric	$1,300,960	$1,030,605	79.2
	Gas	63,313	42,243	66.7
	Telephone	440,122	247,625	56.3
Grand Totals		$1,804,395	$1,240,473	68.7

Many factors such as interest rates, quality of service, cost of fuel, and availability of gas supplies, and utility managerial efficiency contribute to the final decisions reached by the Commission in general rate cases. Since July 1, 1977, general rate cases heard by the seven new Commissioners have been presented in a very professional and thorough manner. Highly competent witnesses have put into the record sufficient testimony on which a fair and equitable decision could be based. The welfare of the consuming public has been competently and vigorously advocated and defended by the Public Staff of the Commission.

2. N.C. Utility Rates vs Consumer Price Index (CPI)

The combination of the above factors have resulted in the electric and telephone consumers of North Carolina having some degree of relief from the total impact of the unprecedented high rates of inflation during the period June 1977 through December 1981.

The Commission has kept the general increases in the cost of electricity per kWh and the increases in the telephone costs for local service below the increase in the CPI for this same period of time and as shown by the table below. However, the restraint of the increase in the cost of natural gas in North Carolina could not be held below the increase in the CPI. Many factors over which the Commission had little or no direct control contributed to the increases in the price of natural gas during this period. Some of these factors being: the decontrol of natural gas prices at the wellhead; a one-source supplier (Transcontinental Gas Pipeline Corporation) which caused a severe shortfall in supplies and forced the purchase by the distributing companies of high priced emergency gas from wherever it could be located; and the discriminatory pricing policies of the supplier which were approved by the policies of the Federal Energy Regulatory Commission (FERC) until recently (September 1980) when these policies were overturned by a Federal Court Order. (FERC Opinion No. 59 issued August 6, 1979, was reviewed by the U.S. Court of Appeals for the District of Columbia Circuit.)

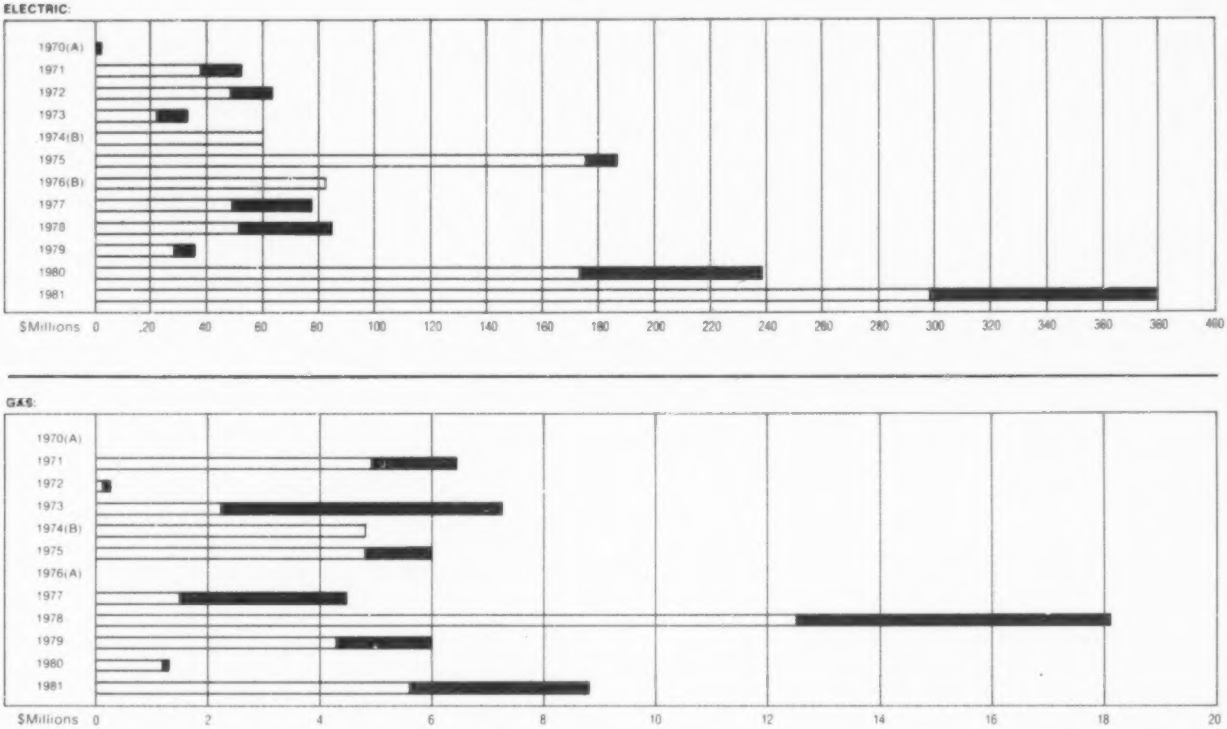
N.C. Utility Rates vs Consumer Price Index (CPI)

Item	Type Customer	Price Changes Amount	Percent
Electric:			
N.C. Price per kWh	Residential	3.39-4.92 Cents	45.13%
Natural Gas:			
N.C. Price per Dekatherm	Residential	2.49-5.09 Dollars	104.42%
Telephone:			
N.C. Local Service Monthly Charges for Main Station	All	16.88-21.86 Dollars	29.50%
CPI—Composite	All Consumer	175.8-272.4 Index	54.95%

Note: The N.C. prices for electric, gas, and telephone customers are derived from composite averages of all the major N.C. regulated utilities for the period shown.

FIGURE NO. 4

ELECTRIC, GAS & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1970-1981
($Millions)



($MILLIONS)

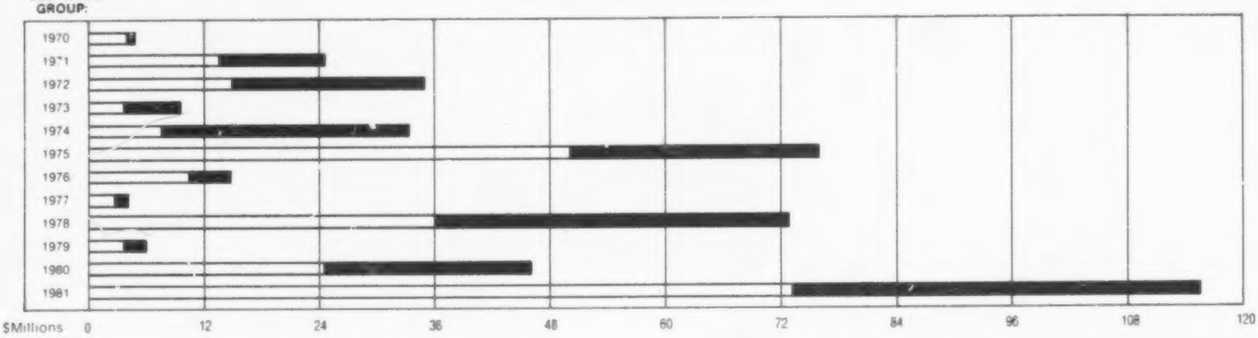
Electric Group	Requested	Granted	% Granted	Gas Group	Requested	Granted	% Granted
1970	$ 1,280	$ —0—	—	1970	$ —	$ —	—
1971	56,533	39,045	69.1	1971	6,414	4,955	77.3
1972	63,728	48,120	75.5	1972	277	175	63.2
1973	32,555	22,769	69.9	1973	7,220	2,264	31.4
1974	61,453	61,439	99.9	1974	4,806	4,806	100.0
1975	186,871	175,255	93.8	1975	5,952	4,817	81.0
1976	82,656	82,656	100.0	1976	—	—	—
1977-June 30th	77,711	49,615	63.8	1977 Jan.-June	4,451	1,514	34.0
Sub Total	$ 562,787	$ 478,899	85.1	Sub Total	$ 29,120	$ 18,531	63.6
1977 July-Dec.	$ —0—	$ —0—	$ —0—	1977 July-Dec.	$ —0—	$ —0—	$ —0—
1978	84,140	51,567	61.3	1978	18,124	12,533	—0—
1979	35,511	28,314	79.7	1979	5,984	4,353	69.2
1980	238,709	172,625	72.3	1980	1,284	1,216	94.7
1981	379,813	299,200	78.8	1981	8,801	5,610	63.7
Sub Total	$ 738,173	$ 551,706	74.7	Sub Total	$ 34,193	$ 23,712	$ 69.3
GRAND TOTAL	$ 1,300,960	$ 1,030,605	79.2	GRAND TOTAL	$ 63,313	$ 42,243	66.7

Legends: ▭ Granted ■ Requested A — None Granted B — Request Granted In Full

FIGURE NO. 4 (Continued)

ELECTRIC, GAS & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1970-1981
($Millions)

TELEPHONE GROUP:



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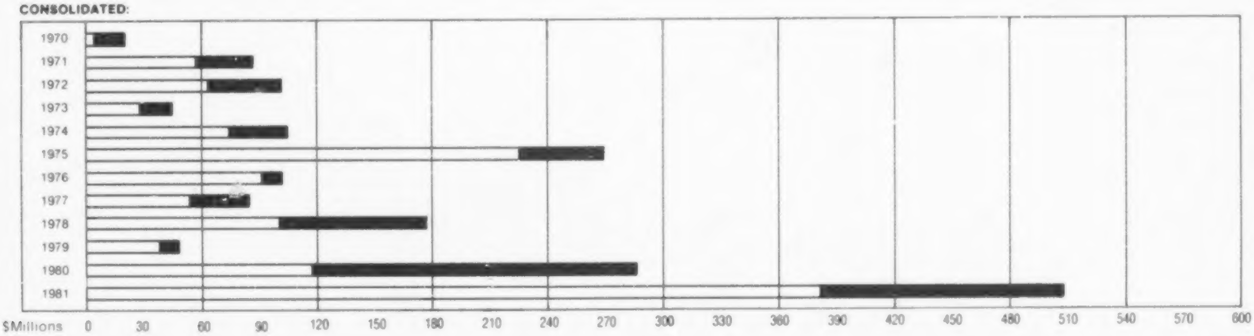

($MILLIONS)

Telephone Group	Requested	Granted	% Granted
1970	$ 449	$ 392	87.3
1971	25,512	14,722	57.7
1972	34,323	15,834	46.1
1973	9,299	3,993	42.9
1974	33,812	8,271	24.5
1975	76,477	51,015	66.7
1976	14,683	10,232	69.7
1977 Jan.-June	4,325	3,591	83.0
Sub Total	$ 198,880	$ 108,050	54.3
1977 July-Dec.	—0—	—0—	—0—
1978	73,766	36,000	48.8
1979	5,812	3,560	61.3
1980	45,282	25,489	56.3
1981	116,382	74,526	64.0
Sub Total	$ 241,242	$ 139,575	57.9
GRAND TOTAL	$ 440,122	$ 247,625	56.3

Electric, Gas & Telephone Groups	Requested	Granted	% Granted
1970	$ 1,729	$ 392	22.7
1971	88,459	58,722	66.4
1972	98,328	64,129	65.2
1973	49,074	29,026	59.1
1974	100,071	74,516	74.5
1975	269,300	231,087	85.8
1976	97,339	92,888	95.4
1977 Jan.-June	86,487	54,720	63.3
Sub Total	$ 790,787	$ 605,480	76.6
1977 July-Dec.	—0—	—0—	—0—
1978	176,030	100,100	56.6
1979	47,307	36,227	76.6
1980	285,275	119,330	69.9
1981	504,996	379,336	75.1
Sub Total	$ 1,013,608	$ 634,993	62.6
GRAND TOTAL	$ 1,804,395	$ 1,240,473	68.7

III. Summary Of The Commission Activities And Operations — 1979-1980 And Prior Years

FIGURE NO. 5

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS & TELEPHONE UTILITIES
1980 vs 1979
(Dollars in Thousands)

	Electric Class A			Gas All Classes			Telephone All Classes		
	1979	1980	% Change	1979	1980	% Change	1979	1980	% Change
Revenue & Expenses (N.C. Only):									
Operating Revenues	$ 1,984,842	$ 2,265,870	14.2	$ 343,889	$ 489,018	42.2	$1,063,869	$ 1,198,659	12.7
Operating Expenses	1,646,166	1,911,664	16.1	319,165	462,932	45.0	854,692	967,410	13.2
Net Operating Income	$ 338,676	$ 354,206	4.6	$ 24,724	$ 26,086	5.5	$ 209,177	$ 231,249	10.6
Fixed Charges	144,434	164,205	13.7	11,443	12,263	7.2	74,258	88,110	18.7
Net Income	$ 370,980	$ 342,258	(7.7)	$ 14,383	$ 16,679	16.0	$ 150,185	$ 161,251	7.4
Plant (N.C. Only):									
Gross Plant*	$ 7,848,021	$ 8,938,428	13.9	$ 348,559	$ 385,762	10.7	$3,365,932	$ 3,676,964	9.2
Accumulated Depreciation	1,438,808	1,608,886	11.8	103,894	115,234	10.9	723,401	781,122	8.0
Net Plant	$ 6,409,213	$ 7,329,542	14.4	$ 244,665	$ 270,528	10.6	2,642,531	$ 2,895,842	9.6
Capital Structure (Systemwide):									
Capital Stock & Surplus	$ 6 293,526	$ 6,930,796	10.1	$ 133,148	$ 150,983	13.4	$5,557,637	$ 6,061,398	9.1
Long-Term Debt	6,541,758	7,403,022	13.2	$ 155,630	$ 148,905	(4.3)	$3,862,054	$ 4,316,656	11.8
Total Capital Structure	$12,835,284	$14,333,818	11.7	$ 288,778	$ 299,888	3.8	$9,419,691	$10,378,054	10.2
Long-Term Debt % of Total Capitalization	51.0%	51.6%	1.2	53.9%	49.7%	(7.8)	41.0%	41.6%	1.5
Other Statistics (N.C. Only):									
Total Customers Yearly Avg.	1,627,150	1,667,661	2.5	333,054	349,298	4.9			
Average No. kWh's (Electric) or MCFs (Gas) Used per Residential Customer	11,716	12,272	4.7	97	97	—0—			
Average Revenue per kWh or MCF per Residential Customer	4.01¢	4.29¢	7.0	3.51¢	4.08¢	16.2			
Total Telephones in Service (Mains & Extensions)							4,016,927	4,139,723	3.1
Average No. of Calls per Phone:									
Local							1,746	1,710	(2.1)
Toll							198	198	—0—

*Includes Plant in Service, Under Construction, and Held for Future Use.

A. NUMBER OF COMPANIES REGULATED

In 1979 and 1980 the number of new companies coming under regulation outnumbered the sales, mergers, and abandonments. At December 31, 1980, there were 1,265 companies regulated by the Utilities Commission as compared with 1,245 in 1979 and 1,214 in 1978. In addition, 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a total of 1,345 utilities regulated or required to file annual reports. Many changes take place annually in various utility groups, since new companies are being certified and others are being deleted because of sales, mergers, abandonments, etc. See Figure No. 6.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties and the many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff) through correspondence, by telephone, and personal discussions with utility customers, executives, and various representatives, organizations and associations, the Commission maintains a full docket of formal and semiformal hearings and conferences.

During 1980 there were 2,078 proceedings acted upon, as compared with 2,261 in 1979 and 2,464 in 1978. The formal hearings increased by 44 in 1979 over 1978 (269 compared to 225), but decreased by 58 in 1980 over 1979 (211 compared to 262). For the same period, the informal hearings decreased by 259 for 1979 over 1978, and decreased by 126 for 1980 over 1979. See Figures No. 7 and 8 for 1979 and 1980 comparative years proceedings.

All these increased proceedings required much more time and effort by personnel of both the Commission and Public Staffs, and more time in actual public hearings. Due to the increased amount of testimony offered in the general rate cases, the number of pages of transcript transcribed by the court reporters increased over previous years as follows:

Year	No. Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829

The general rate increase hearings continue to generate much public interest. Several segments of the public sector intervene with the Attorney General representing some of the parties, and others providing their own legal counsel. In addition, the Commission's Public Staff, created by the 1977 Legislature as an independent advocate, charged with the responsibility of representing the using and consuming public in matters heard by the Commission, intervened in most cases and made their recommendations to the Commissioners.

Both the Commission and the Public Staff's participation in the formal general rate increase cases continued to increase as the case load increased and many aspects of ratemaking became more technical.

As shown in Figure No. 8, many docketed issues are settled by lettertype orders and rulings. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many gas, electric, telephone, and transportation tariff filings. These types of proceedings accounted for 88% of the total proceedings before the Commission in 1978, 84% in 1979, and 86% in 1980; however, they generally require only about 10 to 20% of the time of the Commission's staff and the Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into informal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1978 was 3,358; in 1979, 1,434 and in 1980, 1,733.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1980

The regulated utility companies made significant contributions to the economy of the State during 1979 and 1980. There were 1,325 companies in 1979 and 1,345 in 1980. Figures No. 9, 10, and 11 portray the magnitude of the contributions in chart and table form. In 1980, employment by the utilities showed a decrease of 4.8% over 1979, while 1979 showed a 4.8% increase over 1978.

Although utility employment showed a decrease in 1980 over 1979, salaries and wages paid to the utility employees increased in dollar amount from over 1,172 billion in 1979 to 1,335 billion in 1978 (13.9% increase), to 1,506 billion in 1979 (12.8% increase) to 1,660 billion in 1980 (10.2% increase).

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial and maintained about the same share of the State totals of these taxes as prevailed in prior years.

	Utilities Percent of State Totals		
Type Taxes	1978	1979	1980
State Income (Domestic and Foreign Corporations only)	15.1%	12.7%	12.4%
State Franchise Taxes	98.4%	97.3%	96.8%
Bus, Truck & Franchise Fees	17.6%	18.1%	18.7%
Local Property Taxes	8.7%	8.9%	9.3%
Total of Above Taxes	22.6%	22.9%	23.2%

Concurrent with the continuing increases in wages and taxes paid by the regulated utilities, gross operating revenues continued its substantial increase over previous years. Figure No. 11 depicts this growth with the four (4) electric Class A companies showing an increase of 11.8% in 1978, 12.3% in 1979, and 14.2% in 1980 with all utilities showing an increase of 12.3% in 1979 and 12.7% in 1980.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over prior years. The increases in recent years have been 9.5% in 1978, 13.9% in 1979, and 12.4% in 1980, totaling just over $13.0 billion ($13,001,154,000). This additional plant investment will serve the increasing number of electric and gas customers which numbered 1,986,959 in 1980 as compared with 1,960,204 in 1979 and 1,912,761 in 1978; and the increased number of telephones in service that rose from 3,823,170 in 1978 to 4,016,927 in 1979 and to 4,139,723 in 1980 for a gain of 3.1%.

The regulated motor freight, motor passenger, and railroad industries play an important role in the industry of North Carolina. However, due to accounting classification changes allowed by ICC in 1979, and the changes in reporting of information by carriers, less sufficient information was available than has been in the past. For detailed information, please refer to the individual sections in this publication.

FIGURE NO. 6

UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1963, 1968, 1973, 1978, 1979, 1980

Type of Utility or Service	Number as of December 31					
	1963	1968	1973	1978	1979	1980
Electric	14	12	13	10	10	9
Gas	8	7	5	5	5	5
Motor Freight Carriers by Type:						
Common Carriers	521	523	529	533	539	555
Contract Carriers	75	70	77	89	115	120
Common & Contract Carriers	15	24	19	21	21	25
Railroad Motor Freight Carriers	6	5	5	5	5	5
Total Motor Freight Carriers	617	622	630	648	680	705
Motor Passenger Carriers by Type:						
Common Carriers	55	49	45	59	59	60
Contract Carriers	13	11	7	4	4	4
Intracity Carriers (fares only regulated)	12	9	9	10	10	10
Total Motor Passenger Carriers	80	69	61	73	73	74
Motor Boat Common Carriers	1	2	3	2	2	2
Railroads	29	26	23	23	23	23
Transportation Brokers	2	4	5	27	27	27
Telephone	34	29	28	22	21	21
Telegraph	1	1	1	1	1	1
Water & Sewer	107	144	243	403	403	398
Total Utilities Under Regulation	893	916	1,012	1,214	1,245	1,265
Municipal Utility System Required to File Annual Reports with N.C. Utilities Commission:						
Electric	73	73	72	71	71	71
Gas	8	8	8	8	8	8
Telephone	1	1	1	1	1	1
Total Municipals Filing Annual Reports	82	82	81	80	80	80
Grand Total of Utilities Regulated or Required to File Reports	975	998	1,093	1,294	1,325	1,345

FIGURE NO. 7

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1979

(Does not include minor-type customer complaints settled by Commissioners and Staff Personnel)

Division and Number of Proceedings

Item	Buses	Electric	Gas	Housing	Railroads	Telephone	Trucks	Water and Sewer	Western Union	Railway Express	Gen. and Misc.	Grand Totals
Total Proceedings Before Commission	36	86	77	2	87	560	1,095	254	1	1	62	2,261
Disposition of Proceedings												
1. Formal hearing held with orders to follow:	14	26	6	1	12	12	106	78	—0—	—0—	14	269
2. Conferences with informal hearings held with the following type of decisions resulting:												
a. Regular and Letter type	15	49	66	—0—	61	546[1]	967[2]	164	1	1	44	1,914
b. Short form orders issued	3	—0—	—0—	—0—	5	—0—	5	—0—	—0—	—0—	—0—	13
3. Filings open as of 12/31/79:												
Rate Changes	—0—	1	1	—0—	—0—	2	3	6	—0—	—0—	—0—	13
Others	4	10	4	1	9	—0—	14	6	—0—	—0—	4	52
Total Proceedings Accounted For	36	86	77	2	87	560	1,095	254	1	1	62	2,261
Percent of Grand Total	1.59	3.80	3.41	.09	3.85	24.77	48.43	11.23	.04	.04	2.75	100.00
Number of Orders Appealed	0	1	1	0	0	1	0	1	0	0	0	4

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[1] Includes 500 Tariff Filings.

[2] Includes 722 Orders issued by wire service granting temporary operating authority.

FIGURE NO. 8

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1980

(Does not include minor-type customer complaints settled by Commissioners and Staff Personnel)

Division and Number of Proceedings

Item	Buses	Electric	Gas	Housing	Railroads	Telephone	Trucks	Water and Sewer	Western Union	Railway Express	Gen. and Misc.	Grand Totals
Total Proceedings Before Commission	31	54	57	1	106	537	1,051	218	1	22	2,078	
Disposition of Proceedings												
1. Formal hearing held with orders to follow:	6	17	5	—0—	13	9	96	59	—0—	6	211	
2. Conferences with informal hearings held with the following type of decisions resulting:												
a. Regular and Letter type	22	31	47	—0—	87	518[1]	934[2]	140	1	8	1,788	
b. Short form orders issued	—0—	—0—	—0—	—0—	4	—0—	9				13	
3. Filings open as of 12/31/80:												
Rate Changes	1	3	2	—0—	—0—	4	2	4	—0—	—0—	16	
Others	2	3	3	1	2	6	10	15	—0—	8	50	
Total Proceedings Accounted For	31	54	57	1	106	537	1,051	218	1	2.	2,078	
Percent of Grand Total	1.49	2.60	2.74	.05	5.10	25.84	50.58	10.49	.05	1.06	100.00	
Number of Orders Appealed	—0—	4	2	—0—	—0—	1	—0—	—0—	—0—	—0—	7	

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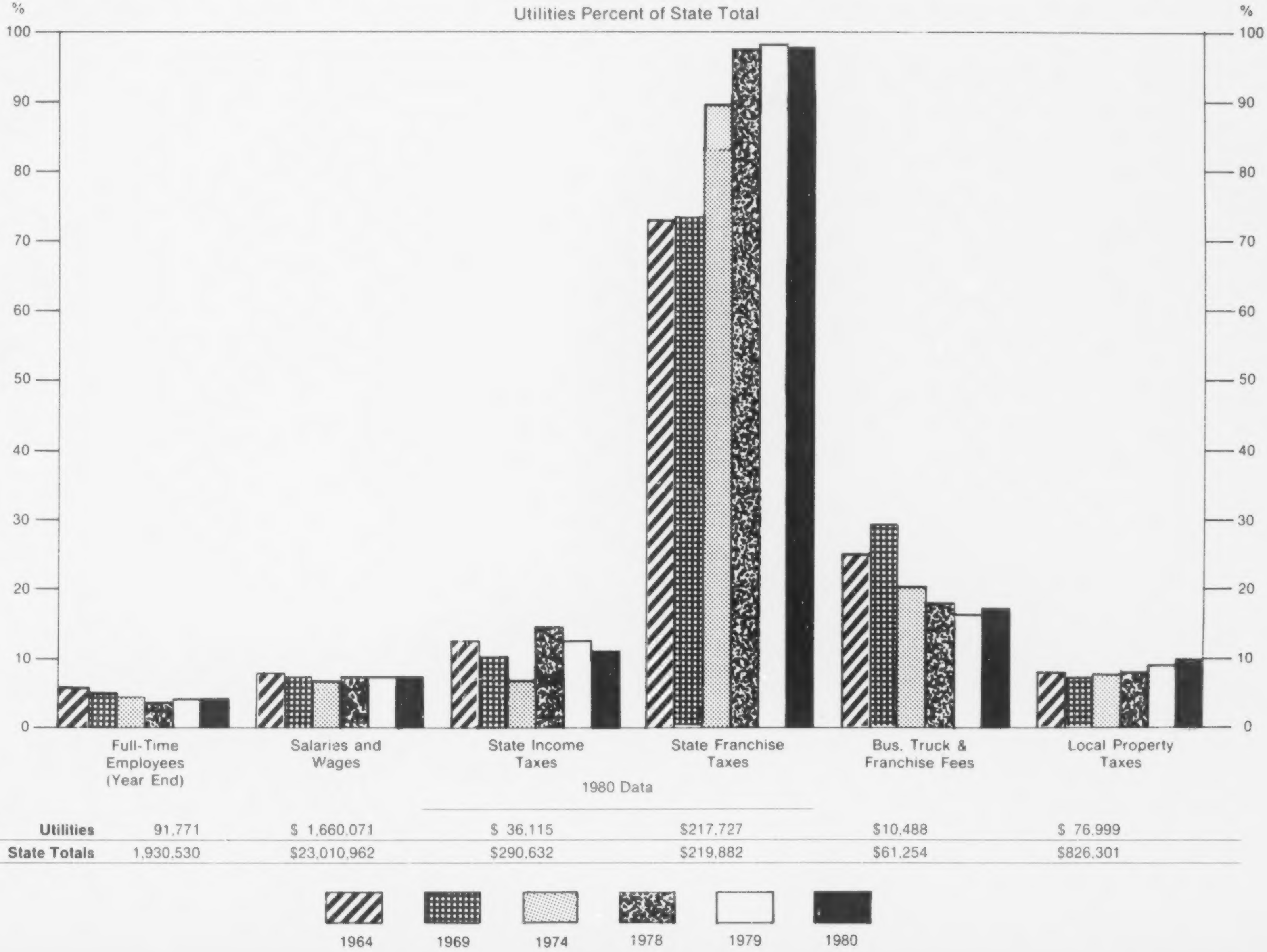
[1] Includes 417 tariff filings and 56 map filings.

[2] Includes 747 orders issued by wire service granting temporary operating authority.

FIGURE NO. 9

IMPACT OF REGULATED UTILITIES
ON THE ECONOMY OF NORTH CAROLINA
1964, 1969, 1974, 1978, 1979 & 1980



1980 Data

	Full-Time Employees (Year End)	Salaries and Wages	State Income Taxes	State Franchise Taxes	Bus, Truck & Franchise Fees	Local Property Taxes
Utilities	91,771	$ 1,660,071	$ 36,115	$217,727	$10,488	$ 76,999
State Totals	1,930,530	$23,010,962	$290,632	$219,882	$61,254	$826,301

FIGURE NO. 10

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES PAID OR LEVIED — FOR THE YEARS 1964, 1969, 1974, 1978-1980

	Number of Full-Time Employees (N.C. Portion Only)					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	7,462	8,824	14,524	16,800	17,959	18,534
Gas	1,328	1,863	1,851	1,796	1,891	2,067
Telephone	11,563	16,526	20,146	19,896	21,188	21,678
Motor Freight Carriers(A)	25,072	33,472	37,183	40,223	41,734	40,118
Motor Passenger Carriers(A)	2,619	2,667	2,770	2,176	2,168	2,240
Railroads	8,912	7,449	7,515	6,531	6,987	7,031
Western Union	274	294	239	121	110	103
Total Utilities	57,230	71,095	84,228	87,543	92,037	91,771
Total for State	1,026,708	1,333,349	1,724,709	1,849,526	1,935,641	1,930,530
Utilities % of State Total	5.6%	5.3%	4.9%	4.7%	4.8%	4.8%

	Salaries and Wages Paid to N.C. Employees ($000's)					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	$ 46,296	$ 69,817	$ 168,099	$ 263,222	$ 297,320	$ 353,390
Gas	6,973	12,716	17,094	23,117	26,774	33,085
Telephone	62,614	108,143	206,008	313,745	359,413	404,832
Motor Freight Carriers(A)	150,116	253,258	397,185	585,638	657,291	692,536
Motor Passenger Carriers(A)	12,972	16,508	22,578	25,402	27,787	32,370
Railroads	54,938	66,028	100,255	122,722	136,493	142,622
Western Union	1,411	2,006	1,899	1,438	1,324	1,236
Total Utilities	$ 335,320	$ 528,476	$ 913,118	$ 1,335,284	$ 1,506,402	$ 1,660,071
Total for State (A)	$4,280,588	$7,380,668	$13,107,494	$18,614,895	$21,050,398	$23,010,962
Utilities % of State Total	7.8%	7.2%	7.0%	7.2%	7.2%	7.2%

	Average Annual Compensation					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	$ 6,204	$ 7,912	$ 11,574	$ 15,668	$ 16,555	$ 19,067
Gas	5,250	6,825	9,235	12,872	14,159	16,006
Telephone	5,415	6,544	10,226	15,769	16,963	18,675
Motor Freight Carriers	5,987	7,566	10,682	14,560	15,750	17,262
Motor Passenger Carriers	4,953	6,190	8,151	11,674	12,817	14,451
Railroads	6,164	8,864	13,341	18,791	19,535	20,285
Western Union	5,145	6,822	7,947	11,887	12,034	12,002
Total Utilities	$ 5,859	$ 7,433	$ 10,841	$ 15,253	$ 16,367	$ 18,089
Total for State	$ 4,169	$ 5,535	$ 7,600	$ 10,065	$ 10,875	$ 11,920

(A) Table 1, "Insured Employment & Wage Payments" for years reported Motor Freight — Industry Group 421; Motor Passenger — Industry Group 411 & 413. State totals are for all industries with insured employment.

FIGURE NO. 10 (Continued)

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED — FOR THE YEARS 1964, 1969, 1974, 1978-1980

	State Income Taxes ($000's)					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	$ 4,643	$ 4,390	$ 2,341	$ 18,115	$ 16,460	$ 15,179
Gas	419	592	933	907	1,420	1,353
Telephone	3,244	4,785	7,071	14,333	14,223	14,397
Motor Freight Carriers (Class I & II)	615	422	1,159	1,724	2,555	2,318(D)
Motor Passenger Carriers(A)	170	131	147	117	99	91(D)
Railroads	546	613	618	1,054	1,326	2,777
Total Utilities	$ 9,637	$ 10,933	$ 12,269	$ 36,250	$ 36,083	$ 36,115
Total for State (B)	$ 76,916	$109,118	$165,474	$240,742	$284,669	290,632
Utilities % of State Total	12.5%	10.0%	7.4%	15.1%	12.7%	12.4%

	State Franchise Taxes & Bus, Truck and Franchise Fees ($000's)					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	$ 15,551	$ 24,338	$ 63,952	$111,594	$117,579	$135,011
Gas	2,868	5,210	8,469	13,563	20,427	29,022
Telephone	8,403	13,799	25,982	43,471	46,989	51,822
Motor Freight Carriers(C)	5,978	9,105	9,468	9,592(D)	9,763	9,881
Motor Passenger Carriers(C)	277	344	526	598	603	607
Railroads	1,076	1,256	1,507	1,671	1,713	1,829
Western Union (B)	23	27	32	37	41	43
Total Utilities	$ 34,176	$ 54,079	$109,936	$180,526	$197,115	$228,215
Total for State (B) (C)	$ 62,439	$ 92,940	$161,529	$230,860	$250,918	$281,136
Utilities % of State Total	54.7%	58.2%	68.1%	78.2%	78.6%	81.2%

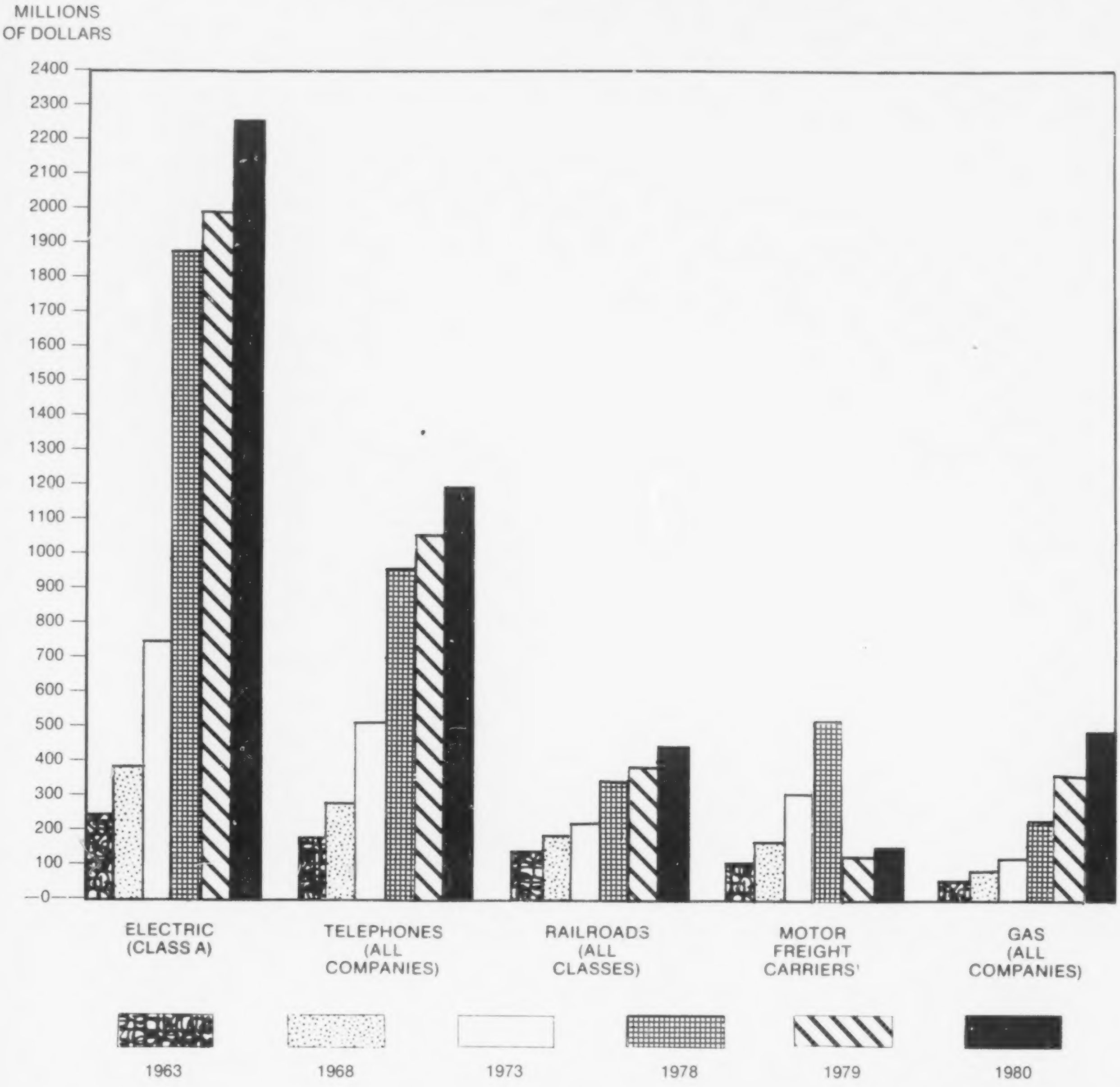
	Local Property Taxes ($000's)					
	1964	1969	1974	1978	1979	1980
Electric (Class A only)	$ 8,192	$ 12,436	$ 22,806	$ 33,314	$ 33,393	$ 35,740
Gas	1,180	2,173	2,731	2,898	2,984	3,128
Telephone	5,282	10,251	20,655	27,641	30,087	31,596
Motor Freight Carriers (Class I & II)	682	1,405	1,721	1,770	1,513(D)	1,531(D)
Railroads	3,533	3,144	3,427	4,064	4,613(D)	4,750(D)
Western Union (E)	29	40	66	56	58	54
Total Utilities	$ 18,898	$ 29,449	$ 51,406	$ 69,743	$ 72,648	$ 76,799
Total for State (F)	$236,942	$389,764	$614,893	$798,848	$813,213	$826,301
Utilities % of State Total	8.0%	7.6%	8.4%	8.7%	8.9%	9.3%

(A) 1972 - 1980 data - N.C. Tax Research Department. 1970 data - table 42 - 1972 "Statistics of Taxation".
(B) Statement of the revenues of the General Fund for the fiscal years reported, from the Department of Administration, Budget Division, State Income Tax Totals for domestic and foreign corporations only.
(C) From Motor Vehicles Department - state totals include bus and franchise taxes, truck and trailer plates, for hire plates.
(D) Estimated
(E) "Statistics of Taxation" for appropriate years — Table 54, 55, 57, 76, 77, 81, 82, 100, 102, 113 & 113.
(F) Table 54 — 1980 "Statistics of Taxation".

FIGURE NO. 11

GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N.C. DATA ONLY

For the Calendar Years 1963, 1968, 1973, 1978 & 1980



[1] For 1963—Classes I, II & III were used. For 1967 and all future years Classes I & II were used. ICC reclassification of Carriers in 1979 reduced Class I & II Carriers sharply.

[2] For 1968-1973 65 of the larger companies.

[3] For 1976, 26 of the larger companies.

[4] For 1977-1978, 14 of the larger companies.

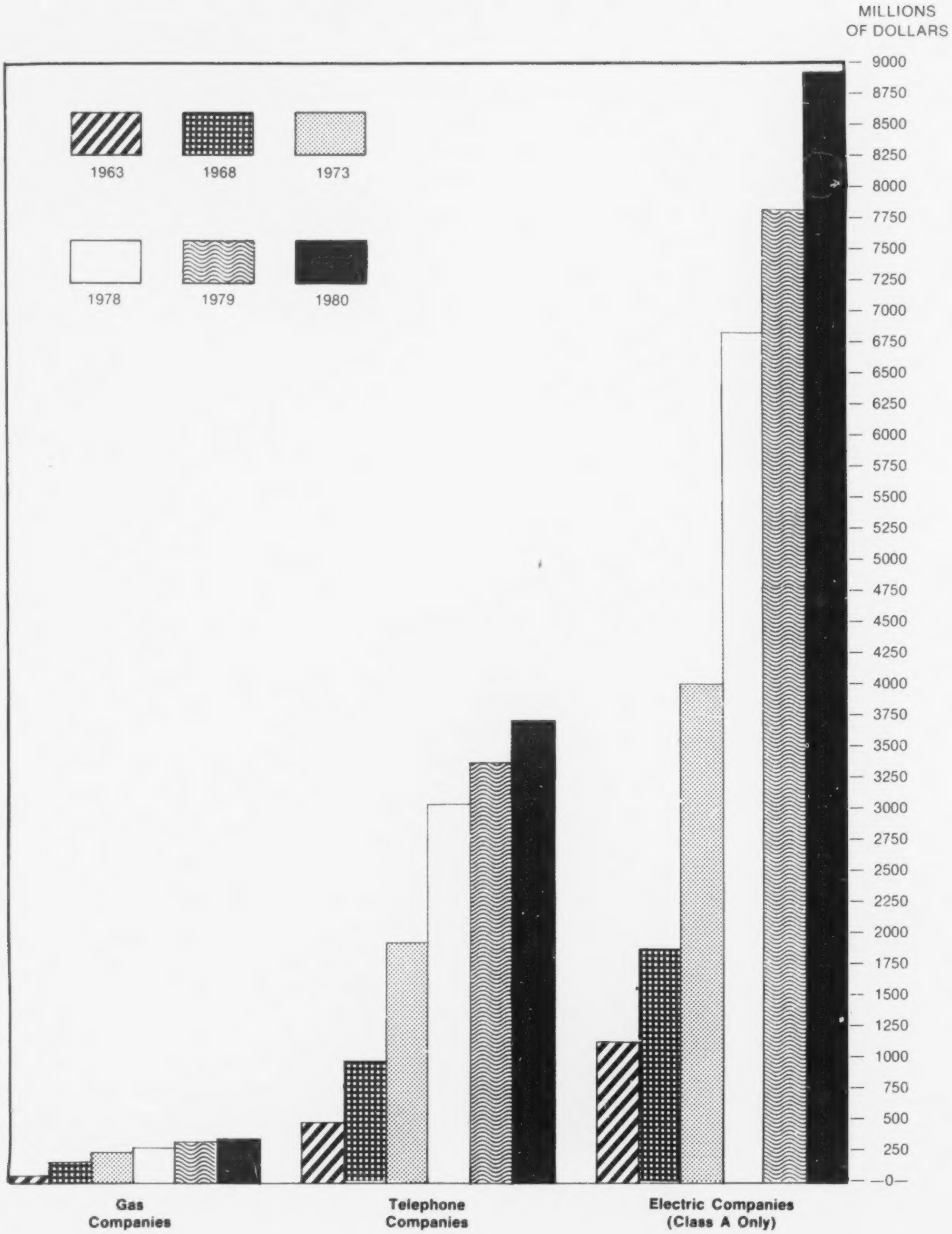
[5] For 1979-1980, 13 of the larger companies.

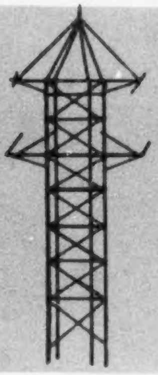
	Motor Passenger Carriers	**Water & Sewer[2345]**	**Western Union**
1963	$22.9 Million	$685 Thousand	$629 Thousand
1968	27.4 Million	1.5 Million	1.0 Million
1973	30.1 Million	3.1 Million	748 Thousand
1978	26.3 Million	3.5 Million	793 Thousand
1979	23.8 Million	4.0 Million	714 Thousand
1980	22.1 Million	4.6 Million	664 Thousand

FIGURE NO. 12

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC — GAS — TELEPHONE

For the Years 1963, 1968, 1973, 1978 & 1980





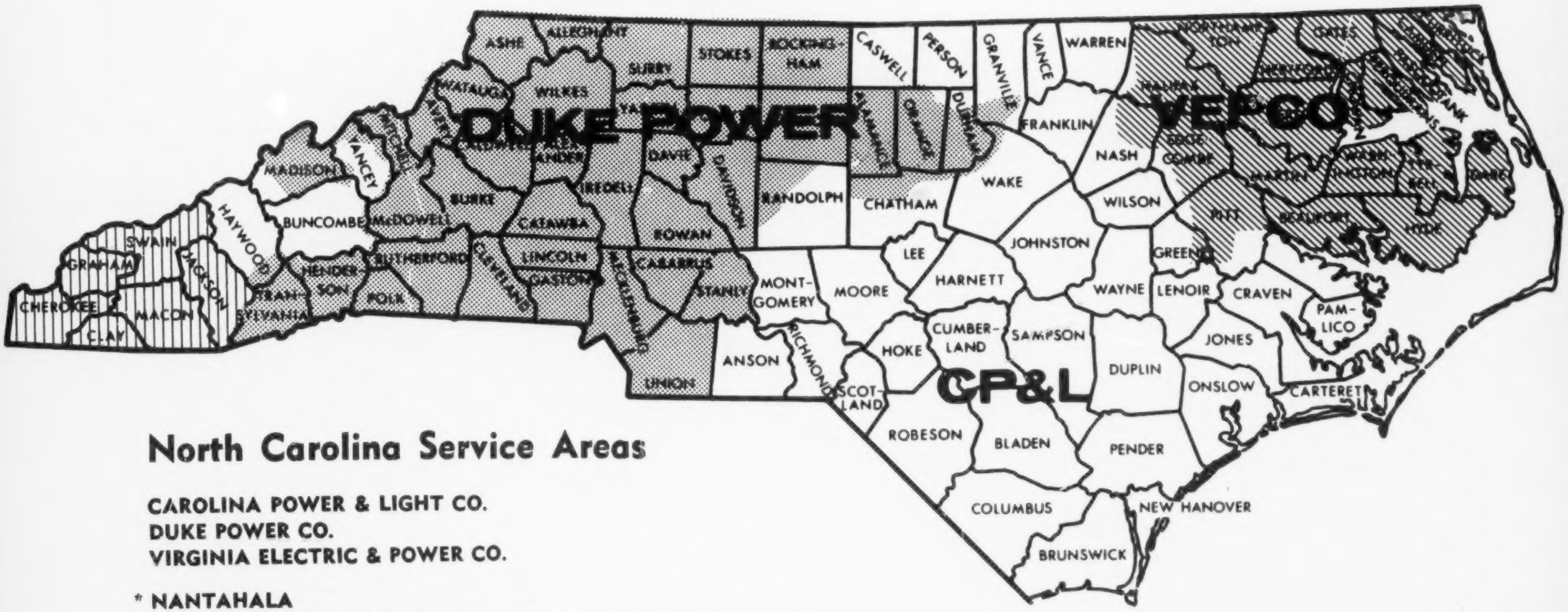
IV. The Electric Power Industry

FIGURE NO. 13

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission


DUKE POWER
VEPCO
CP&L
ASHE
ALLEGHANY
SURRY
STOKES
ROCKINGHAM
CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
GATES
CURRITUCK
CAMDEN
PASQUOTANK
PERQUIMANS
HERTFORD
CHOWAN
HALIFAX
WATAUGA
WILKES
YADKIN
AVERY
MITCHELL
YANCEY
CALDWELL
ALEXANDER
DAVIE
DAVIDSON
FORSYTH
GUILFORD
ALAMANCE
ORANGE
DURHAM
FRANKLIN
NASH
EDGECOMBE
MARTIN
WASHINGTON
TYRRELL
DARE
MADISON
BUNCOMBE
McDOWELL
BURKE
IREDELL
RANDOLPH
CHATHAM
WAKE
WILSON
PITT
BEAUFORT
HYDE
HAYWOOD
SWAIN
GRAHAM
CHEROKEE
CLAY
MACON
JACKSON
TRANSYLVANIA
HENDERSON
POLK
RUTHERFORD
CLEVELAND
CATAWBA
LINCOLN
GASTON
MECKLENBURG
CABARRUS
ROWAN
STANLY
UNION
ANSON
MONTGOMERY
MOORE
RICHMOND
SCOTLAND
LEE
HARNETT
JOHNSTON
HOKE
CUMBERLAND
SAMPSON
WAYNE
GREENE
LENOIR
CRAVEN
PAMLICO
JONES
DUPLIN
ONSLOW
CARTERET
ROBESON
BLADEN
PENDER
COLUMBUS
NEW HANOVER
BRUNSWICK

North Carolina Service Areas

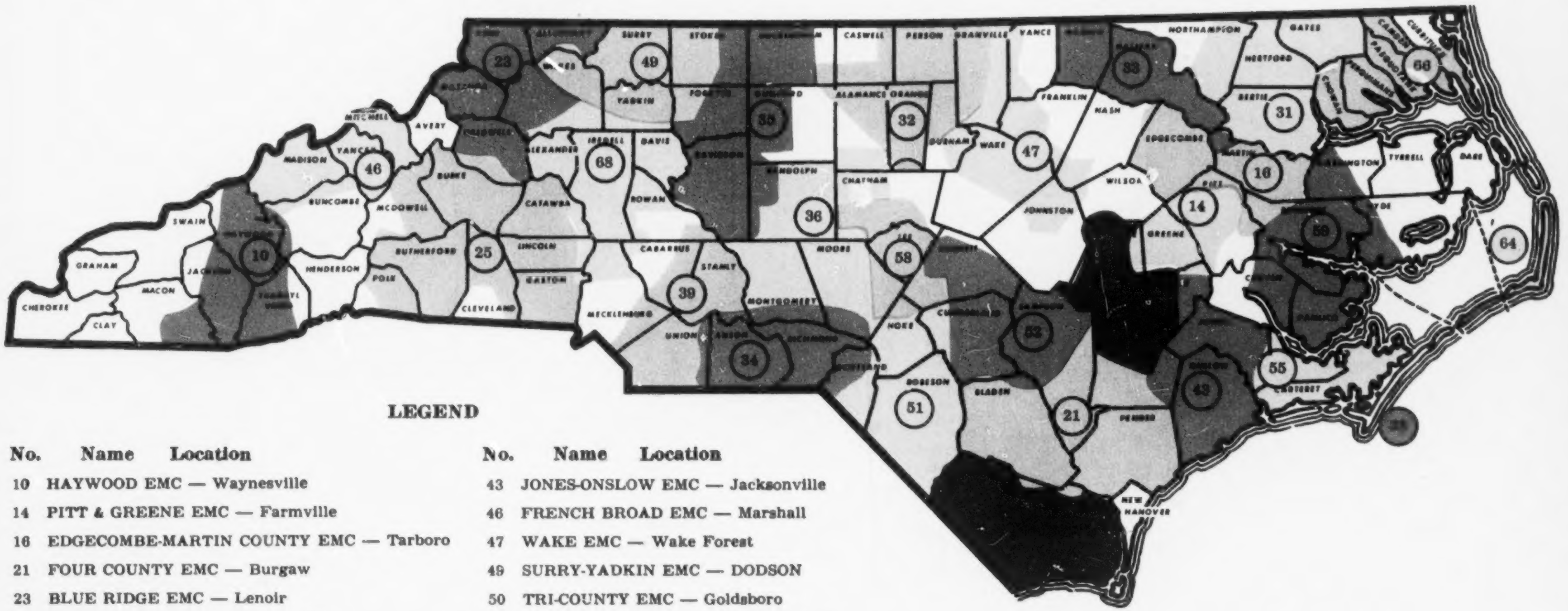
CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

* NANTAHALA

* SERVES PORTIONS OF THE FOLLOWING COUNTIES: CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of January 1, 1981

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS


CHEROKEE
CLAY
GRAHAM
MACON
SWAIN
JACKSON
HAYWOOD
TRANSYLVANIA
10
MADISON
BUNCOMBE
HENDERSON
YANCEY
MITCHELL
46
AVERY
MCDOWELL
POLK
RUTHERFORD
25
BURKE
CLEVELAND
LINCOLN
GASTON
CATAWBA
ALEXANDER
CALDWELL
WATAUGA
ASHE
ALLEGHANY
WILKES
23
SURRY
49
YADKIN
IREDELL
68
DAVIE
ROWAN
MECKLENBURG
CABARRUS
STANLY
UNION
39
ANSON
34
RICHMOND
SCOTLAND
MONTGOMERY
STOKES
FORSYTH
DAVIDSON
ROCKINGHAM
GUILFORD
35
RANDOLPH
36
CASWELL
ALAMANCE
ORANGE
32
CHATHAM
MOORE
LEE
58
HOKE
PERSON
GRANVILLE
DURHAM
VANCE
WARREN
FRANKLIN
WAKE
47
HARNETT
CUMBERLAND
SAMPSON
52
ROBESON
51
BLADEN
COLUMBUS
JOHNSTON
WAYNE
DUPLIN
PENDER
21
NEW HANOVER
BRUNSWICK
NASH
WILSON
HALIFAX
33
NORTHAMPTON
EDGECOMBE
MARTIN
16
PITT
14
GREENE
LENOIR
JONES
ONSLOW
43
CRAVEN
CARTERET
55
38
BERTIE
31
HERTFORD
GATES
CHOWAN
PERQUIMANS
PASQUOTANK
CAMDEN
CURRITUCK
66
WASHINGTON
TYRRELL
DARE
BEAUFORT
HYDE
59
PAMLICO
64

LEGEND

No.	Name	Location
10	HAYWOOD EMC	— Waynesville
14	PITT & GREENE EMC	— Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	— Tarboro
21	FOUR COUNTY EMC	— Burgaw
23	BLUE RIDGE EMC	— Lenoir
25	RUTHERFORD EMC	— Forest City
31	ROANOKE EMC	— Rich Square
32	PIEDMONT EMC	— Hillsborough
33	HALIFAX EMC	— Enfield
34	PEE DEE EMC	— Wadesboro
35	DAVIDSON EMC	— Lexington
36	RANDOLPH EMC	— Asheboro
38	HARKERS ISLAND EMC	— Harkers Island
39	UNION EMC	— Monroe
40	BRUNSWICK EMC	— Shallotte
43	JONES-ONSLOW EMC	— Jacksonville
46	FRENCH BROAD EMC	— Marshall
47	WAKE EMC	— Wake Forest
49	SURRY-YADKIN EMC	— DODSON
50	TRI-COUNTY EMC	— Goldsboro
51	LUMBEE RIVER EMC	— Red Springs
52	SOUTH RIVER EMC	— Dunn
55	CARTERET-CRAVEN EMC	— Morehead City
58	CENTRAL EMC	— Sanford
59	TIDELAND EMC	— Pantego
64	CAPE HATTERAS EMC	— Buxton
66	ALBEMARLE EMC	— Hertford
68	CRESCENT EMC	— Statesville

FIGURE NO. 14

Service Area Boundaries as of January 1, 1981

NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION
3333 North Boulevard
Raleigh, N.C. 27604

FIGURE NO. 15

POWER COMPANIES—CLASS A & B

December 31, 1980

CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA
Organized: April 6, 1926
President and Chairman of the Board: Sherwood H. Smith, Jr., Raleigh, N.C.
Service (For North Carolina): Electric
States Served: North Carolina & South Carolina

DUKE POWER COMPANY,
CHARLOTTE, NORTH CAROLINA
Organized: May 1, 1917
President: William S. Lee, Charlotte, N.C.
Chairman of the Board: Carl Horn, Jr., Charlotte, N.C.
Secretary: L.F. Camp, Jr., Charlotte, N.C.
Service (For North Carolina): Electric, Water, Bus
States Served: North Carolina & South Carolina

NANTAHALA POWER AND LIGHT COMPANY
FRANKLIN, NORTH CAROLINA
Organized: July 23, 1929
President: W.M. Jontz, Franklin, N.C.
Secretary: W.W. Sloan, Franklin, N.C.
Service: Electric
State Served: North Carolina

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA
Organized: June 29, 1909
President: William W. Berry, Richmond, Va.
Vice President—Southern Division: R.D. McIver Williamston, N.C.
Secretary: S.B. Robertson, Richmond, Va.
Service (For North Carolina): Electric
States Served: North Carolina, Virginia, and West Virginia

POWER COMPANIES—CLASS C & D
Towns or Counties Served

Crisp Power Company, Inc.	Edgecombe County
Laurel Hill Electric Company	Scotland County
New River Light & Power Company	Watauga County
Pinehurst, Inc.	Pinehurst, N.C.
Western Carolina University[1]	Jackson County

MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light Company
Belhaven	Virginia Electric & Power Company
Benson	Carolina Power & Light Company
Black Creek	Wilson
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company, Shelby
Clayton	Carolina Power & Light Company
Concord	Duke Power Company
Cornelius	Duke Power Company, Crescent Electric Membership Corp.
Dallas	Duke Power Company
Drexel	Duke Power Company, Southeastern Power Administration
Edenton	Virginia Electric & Power Company
Elizabeth City	Virginia Electric & Power Company
Enfield	Virginia Electric & Power Company, Halifax Electric Membership Corp.
Farmville	Carolina Power & Light Company
Fayetteville	Carolina Power & Light Company
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light Company
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	Virginia Electric & Power Company
Hamilton	Virginia Electric & Power Company
Hertford	Virginia Electric & Power Company
High Point	Duke Power Company
Highlands	Nantahala Power & Light Company
Hobgood	Virgina Electric & Power Company
Hookerton	Carolina Power & Light Company
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light Company
LaGrange	Carolina Power & Light Company
Landis	Duke Power Company
Laurinburg	Carolina Power & Light Company
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light Company, Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light Company
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company, Southeastern Power Administration
Murphy	TVA
New Bern	Carolina Power & Light Company
Newton	Duke Power Company
Oak City	Edgecombe-Martin Electric Membership Corp.
Pikeville	Carolina Power & Light Company
Pinetops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light Company
Robersonville	Virginia Electric & Power Company
Rocky Mount	Carolina Power & Light Company
Scotland Neck	Virginia Electric & Power Company
Selma	Carolina Power & Light Company
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light Company
Southport	Carolina Power & Light Company
Statonsburg	Wilson
Statesville	Duke Power Company
Tarboro	Virginia Electric & Power Company
Wake Forest	Carolina Power & Light Company
Walstonburg	Wilson
Washington	Virginia Electric & Power Company
Waynesville	Carolina Power & Light Company
Wilson	Carolina Power & Light Company
Windsor	Virginia Electric & Power Company
Winterville	Greenville

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[1] No operating or statistical data for this utility is included in this report. No report required by Commission

ELECTRIC MEMBERSHIP CORPORATIONS AND SOURCE OF POWER

Electric Membership Corporation	Headquarters	Source of Power
Albemarle	Hertford	Vepco, SEPA*
Blue Ridge	Lenoir	Duke, SEPA
Brunswick	Shallotte	CP&L, SEPA
Cape Hatteras	Buxton	Vepco
Carteret-Craven	Morehead City	CP&L, SEPA
Central	Sanford	CP&L, SEPA
Crescent	Statesville	Duke, SEPA
Davidson	Lexington	Duke
Edgecombe-Martin County	Tarboro	Vepco, SEPA
Four County	Burgaw	CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	CP&L, Vepco, SEPA
Harkers Island	Harkers Island	CP&L
Haywood	Waynesville	CP&L, Duke, Nantahala, SEPA
Jones-Onslow	Jacksonville	CP&L, SEPA
Lumbee River	Red Springs	CP&L, SEPA
Pee Dee	Wadesboro	CP&L, Duke, SEPA
Piedmont	Hillsborough	CP&L, Duke, SEPA
Pitt & Greene	Farmville	CP&L, SEPA
Randolph	Asheboro	CP&L, SEPA
Roanoke	Rich Square	CP&L, SEPA
Rutherford	Forest City	Duke, SEPA
South River	Dunn	CP&L, SEPA
Surry-Yadkin	Dobson	Duke
Tideland	Pantego	CP&L, Vepco, SEPA
Tri-County	Goldsboro	CP&L, SEPA
Union	Monroe	Duke, SEPA
Wake	Wake Forest	CP&L, Duke, SEPA

*Southeastern Power Administration

THE ELECTRIC POWER INDUSTRY

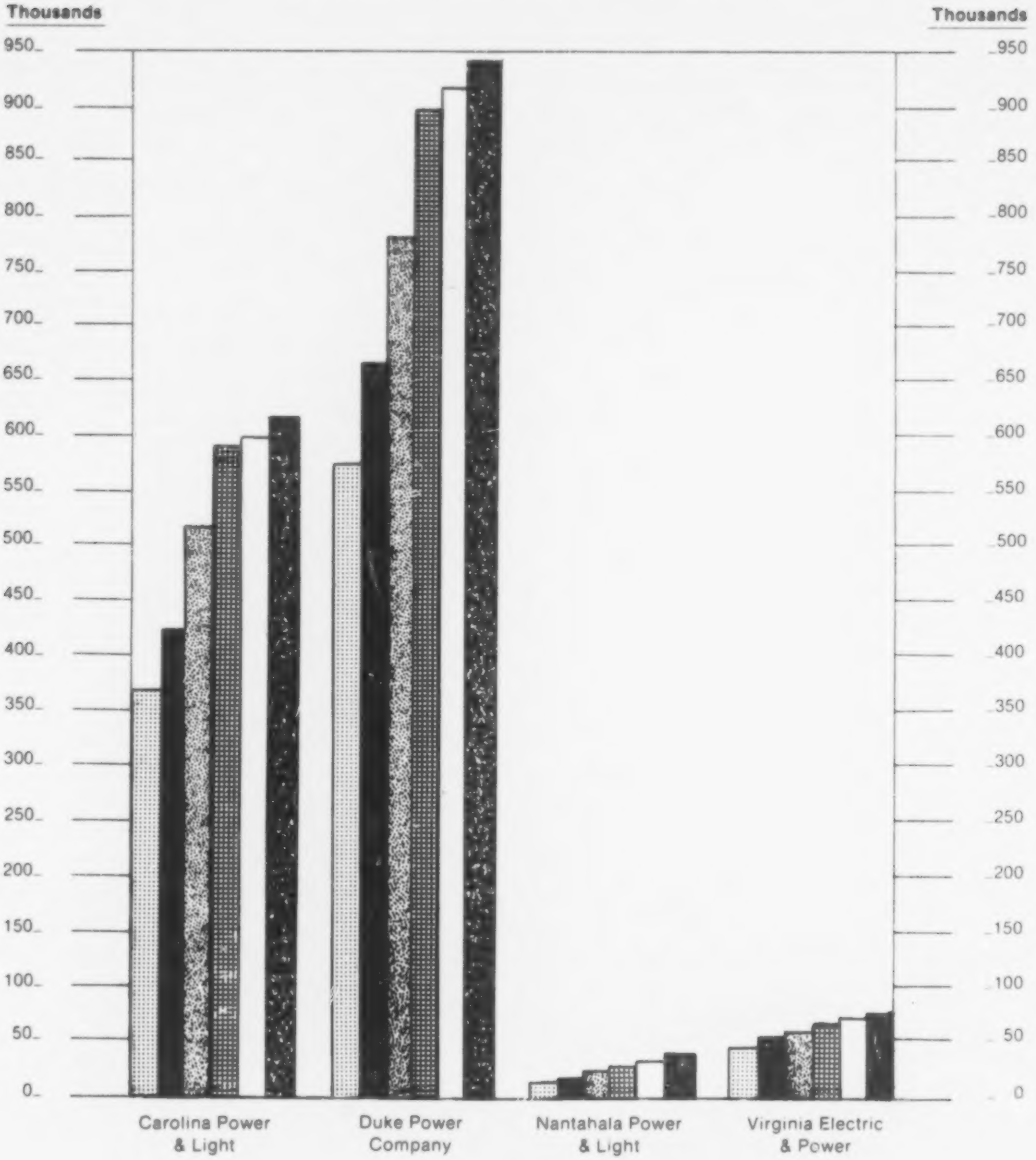
A. GENERAL COMMENTS

At December 31, 1980, there were four (4) major electric companies (i.e., companies with $2,500,000 or more annual gross operating revenues) and five (5) small electric companies in North Carolina under the regulation of the North Carolina Utilities Commission. The four (4) major, or Class A companies, provided service either directly to retail consumers or as direct or indirect suppliers of electric energy on a wholesale basis to twenty-eight (28) electric membership corporations (EMCs), four (4) smaller privately owned distributing companies, two (2) publicly owned distributing companies, and seventy-one (71) municipalities operating electric distribution systems throughout the State. The retail rates and service in North Carolina of the four (4) Class A companies, the four (4) smaller privately owned companies, and the two (2) publicly owned companies are under Commission jurisdiction. The service of the EMCs and the rates and service of the municipals are not under the Commission's jurisdiction. There are five (5) EMCs whose headquarters are in other states, but who serve smaller portions of North Carolina.

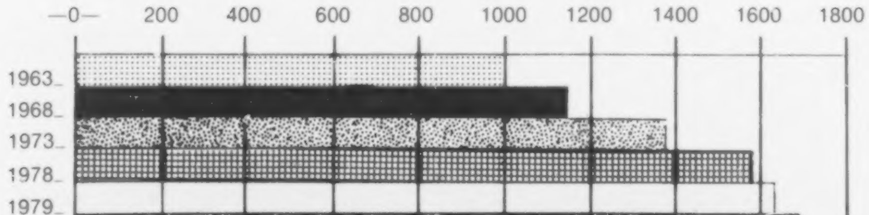
The four (4) major electric utilities are investor-owned companies, three (3) of which have large service areas in adjacent states. Duke Power Company (Duke) serves the west-central portion of North Carolina and an adjoining area in South Carolina, and North Carolina customers use 70.3% of Duke's sales. Carolina Power & Light Company (CP&L) serves areas in the east-central, south-central, and western parts of North Carolina as well as an adjacent area in the eastern part of South Carolina, and North Carolina customers use 87% of CP&L's sales. Virginia Electric and Power Company (Vepco) serves the north-eastern corner of North Carolina and most of Virginia. Only 9% of Vepco's sales are to North Carolina customers. Nantahala Power and Light Company (Nantahala), serving the far western portion of North Carolina, is the only Class A company operating solely within North Carolina. Although it qualifies as a Class A utility, due to annual operating revenue of over $5 million, its service area and number of customers are small compared to the other three (3) Class A companies. Aluminum Company of America (ALCOA) owns all of the capital stock of Nantahala. Portions of Nantahala's electric generation were formerly utilized by ALCOA for the smeltering of aluminum. Nantahala, in conjunction with Tapoco, Inc. (another small electric generating company), sells virtually all of their electric generation to the Tennessee Valley Authority (TVA), which in turn returns entitlements of electricity back to Nantahala and Tapoco. Nantahala and Tapoco further apportion the entitled power between themselves; Nantahala for its North Carolina customers and Tapoco for its only customer, ALCOA, located in Tennessee. The geographical location and the current makeup of its customers place Nantahala in a different position

FIGURE NO. 16

ELECTRIC COMPANIES—CUSTOMER GROWTH
(North Carolina Data Only)
For the Years 1963, 1968, 1973, 1978, 1979, 1980)



Customer Growth—Class A Companies Combined
(Totals in Thousands—Yearly Average)



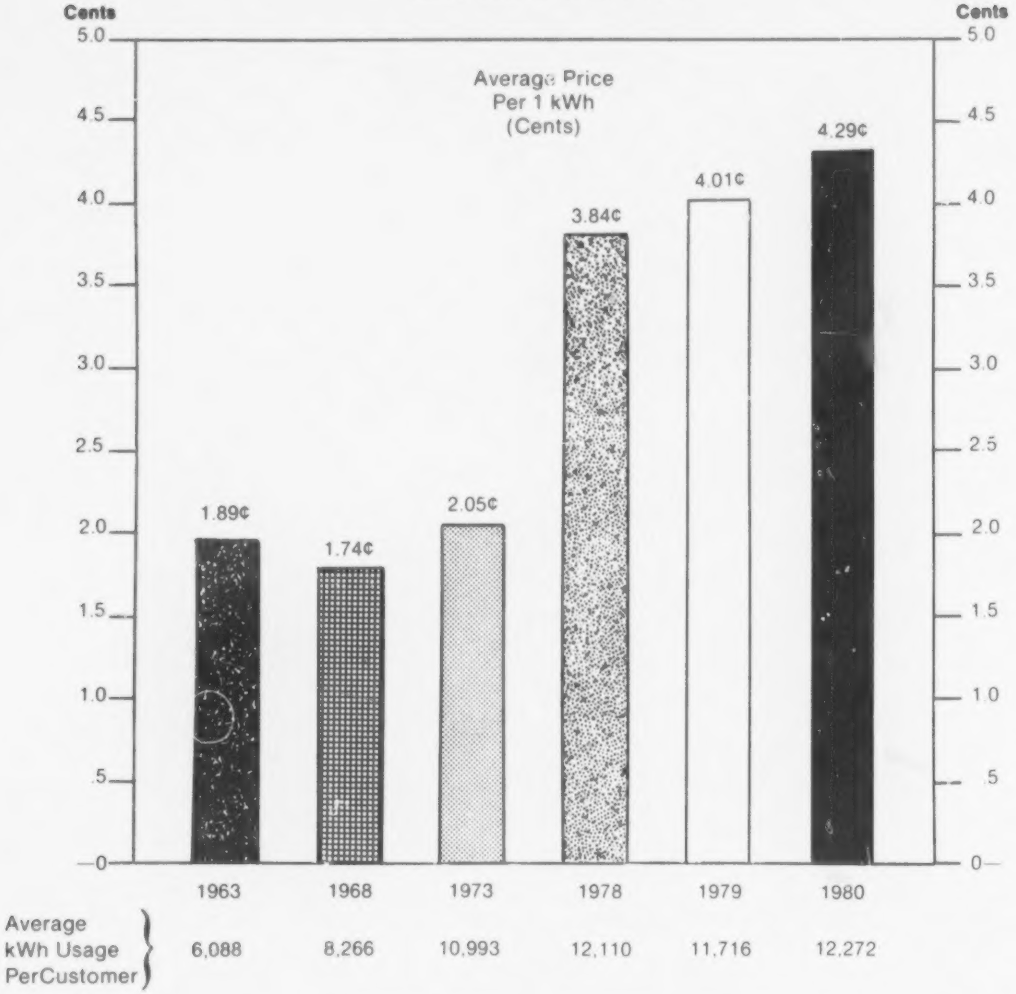


FIGURE NO. 17

RESIDENTIAL ELECTRIC SERVICE—CLASS A COMPANIES

Average Annual Usage Per Customer and Average Price of 1 kWh
(North Carolina Data Only)
1963, 1968, 1973, 1978-1980

Average Price of kWh in Cents by Company

CP&L	1.98¢	4.10¢	4.10¢	4.36¢
Duke	2.09¢	3.64¢	3.88¢	4.13¢
Nantahala	1.84¢	3.27¢	3.51¢	3.68¢
Vepco	2.29¢	4.77¢	5.55¢	6.33¢

from the other major power companies in the State, especially in the areas of providing generating capacity and meeting the competition of other sources of energy for residential heating and commercial and industrial use.

B. CUSTOMER GROWTH—COMMENTS

The four (4) major electric utilities, for their North Carolina operations, experienced a customer growth rate in 1979 of 2.7% over 1978, and a growth rate in 1980 of 2.5% over 1979. The net customer increase was 42,484 for 1979 over 1978, and 40,511 for 1980 over 1979, bringing the total average number of customers to 1,667,661 at December 31, 1980. See Figure No. 16.

The minor electric companies' customer growth increased in 1979 over 1978 by 374 for the five (5) companies, but decreased in 1980 over 1979 by 887 due to the sale of Davenport Power and Light Company (Davenport). Total customers increased from 7,588 in 1978 to 7,962 in 1979 for the five (5) companies and decreased to 7,075 at December 31, 1980, due to the sale of Davenport.

An average of 1,674,736 North Carolina customers were served by all the regulated electric utilities in 1980.

C. ANNUAL CUSTOMER USAGE, INCLUDING TOTAL ELECTRIC HOMES

The annual usage of kWh per residential customer decreased from 12,110 kWh in 1978 to 11,716 in 1979 (3.3%), and increased to 12,272 kWh in 1980 (4.7%). See Figure No. 17. The 1980 figure is 44.7% higher than the national average of 8,481 kWh per residential customer for the same year.

A study of residential electric customers for North Carolina cities with a population of 50,000 or more for the period 1960-1980 reveals that these North Carolina customers used a far greater number of kilowatt hours annually per customer than customers in cities of similar size throughout the United States. North Carolina's per customer residential consumption exceeds the national average for the same period.

Following is a table reflecting the results of this usage study:

AVERAGE ANNUAL RESIDENTIAL CUSTOMER kWh USAGE
1960, 1965, 1970, 1975, 1978-1980
(Class A & B Privately Owned Utilities Only)

	1960	1965	1970	1975	1978	1979	1980
N.C.—Statewide	5,204	6,697	9,695	11,002	12,110	11,716	12,272
N.C.—Charlotte & Raleigh (a)	6,039	7,272	11,037	11,771	13,213	12,373	13,20[illegible]
S.C.—Columbia & Charleston (b)	5,271	6,121	9,613	9,683	10,907	9,843	10,793
U.S. Average	3,464	4,618	6,700	7,829	8,616	8,248	8,481
Higher than:							
S.C. (Columbia & Charleston)	14.6%	18.8%	14.8%	21.6%	20.6%	25.7%	22.3%
U.S. Average	74.3%	57.5%	64.7%	50.4%	53.4%	50.0%	55.7%

(a) Charlotte-Served by Duke Power; Raleigh-Served by CP&L (Average of the two used).

(b) Columbia & Charleston-Served by S.C. Electric & Gas Co. (Average of the two used).

The average monthly use of electricity (976 kWh) in 1979, and 1,023 kWh in 1980) by North Carolina residential customers of Class A companies, who constitute about 87.3% of the total or regular electric utility customers in the State, is one of the highest in the nation. It is generally recognized that there is a direct correlation between the greater residential usage in North Carolina, compared to national usage, and the average charge per kilowatt-hour in North Carolina. This average charge, at 4.29, is 6.5% less than the national average of 4.57* cents per residential kilowatt-hour of usage at December 31, 1980. If Vepco is excluded, the average becomes 4.21% and is 8.5% less than the national average.

D. RATE INCREASES APPROVED

The average charge per kilowatt-hour for North Carolina residential service increased 4.4% in 1979 over 1978, and 7.0% in 1980 over 1979. Figure No. 17 shows the average price of one (1) kWh for the years 1963, 1968, 1973, 1978-1980. The 1980 figure of 4.29 cents per kWh vs. 3.84 cents in 1978 reflects the general rate increases and adjustments for increases in fuel costs approved by the Commission in 1979 and 1980 as indicated below:

RATE INCREASES APPROVED
Electric Companies
For the Years 1979 & 1980

Company	Date Filed	Docket Number	Amount Requested ($000's)	Amount Approved ($000's)	Date of Final Order
1979					
Duke Power Company	3-09-79	E-7, Sub 262	$35,511	$28,314	10-08-79
1980					
Carolina Power & Light Co.	8-31-79	E-2, Sub 366	$55,868	$43,364	4-22-80
Carolina Power & Light Co.	5-09-80	E-2, Sub 391	$91,269	$71,811	12-08-80
Duke Power Company	2-29-80	E-7, Sub 289	$91,572	$57,450	9-30-80

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*FPC—"Statistics of Privately owned Electric Utilities in the United States"—1978

E. ELECTRIC BILLS: COMPARISONS OF RESIDENTIAL STATE MONTHLY AVERAGES

Comparing average monthly bills as of January 1, 1980, in North Carolina to the nine (9) selected States of Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia, the State is 3rd lowest at the 250 kWh consumption level, 3rd lowest at the 500 kWh consumption level, and lowest at the 750 kWh consumption level.

North Carolina vs. United States average shows that North Carolina average monthly bills for the year 1980 continued to be lower, and the spread continued to be smaller than 1974. Data shown on Figure No. 18 indicates that states in all regions of the United States have experienced increasing electric bills.

The North Carolina electric utilities have companywide rates for the respective residential, commercial, and industrial classes of customers. For example, the residential customer's bill will not vary between the small communities and the large where the volume of usage and load characteristics are the same and they are served by the same company.

F. GENERATING CAPACITY— TOTAL AND WITHIN NORTH CAROLINA

Total owned and purchased generating capacity of the Class A electric companies serving in North Carolina for 1980 was 32,399,427 kW.

Generating capacity located within the boundaries of North Carolina accounted for 49.8% of total kilowatt capacity owned and purchased during 1980. See Figure No. 19. Electric utilities are planning for an increasingly larger percentage of their total generating capacity to come from nuclear power. The first nuclear fueled electric generating station in North Carolina, CP&L's Brunswick Nuclear Plant, began commercial operation in 1975. Several additional large units are in various stages of planning or construction. Duke's McGuire Nuclear Plant had its first unit placed in commercial operation on December 1, 1981, with the second unit scheduled for commercial operation in late 1983. CP&L is committed to two (2) additional coal units and two (2) additional nuclear units scheduled for service in the 1980's. During 1980, nuclear generation accounted for the following percentages of total kWh's generated for each of the companies regulated by the Commission: CP&L-45.3%, Duke-32.3%, and Vepco-35.9%.

G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1979 and 1980 electric operating revenue dollar are shown by the pie charts on Figure No. 20.

Fuel costs, the largest component of the operation and maintenance expenses, consumed the larger portion of the operating revenue dollar, requiring 37 cents in 1979 and 38 cents in 1980, while the remaining operation and maintenance costs required 20 cents in 1979 and 22 cents in 1980.

Shown below is comparative data reflecting the components percentagewise for both source and disposition of the electric operating revenue dollar for the years 1979 and 1980:

SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR
For North Carolina Class A Electric Companies

Item	1979	1980
Source:		
Residential	33.0%	33.3%
Commercial	19.6	19.5
Industrial	26.9	25.7
Sales for Resale	17.8	19.1
Other	2.7	2.4
Total	100.0%	100.0%
Disposition:		
Fuel Costs	36.5%	38.3%
Other Operating & Maint. Costs	19.6	22.4
Depreciation	9.0	8.0
General Taxes	8.4	8.3
Income Taxes	9.4	7.4
Interest	7.3	7.2
Preferred Dividends	1.9	1.7
*Earnings for Common Shareholders	7.9	6.7
Total	100.0%	100.0%

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*Earnings for common shareholders as a percent of the operating revenue dollar do not produce the same ratio as the rate of return on common stockholders equity capital since the bases used for the calculations are different.

Fuel costs as a percent of total operation and maintenance expenses (excludes depreciation and taxes) has been declining since 1974 primarily because of the decrease in coal costs and the increasing use of nuclear fuel, which is cheaper than the fossil fuels. The chart below shows this relationship for the five-year period 1976-1980.

	1976	1977	1978	1979	1980
Fuel Costs	$514,603	$625,844	$ 670,738	$ 724,540	$ 866,928
Other Oper. & Maint. Expenses	214,548	293,237	340,448	389,710	507,574
Total Oper. & Maint. Expenses	$729,151	$919,081	$1,011,186	$1,114,250	$1,374,502
% of Fuel Costs Total Oper. & Maint. Expenses	70.6%	68.1%	66.3%	65.0%	63.1%

FIGURE NO. 18

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS— NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE

STATE AVERAGE MONTHLY BILLS—RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1 of each year listed

State	250 kWh Assumed Consumption							500 kWh Assumed Consumption					750 kWh Assumed Consumption				
	1955	1960	1965	1970	1975	1979	1980	1963	1968	1973	1978	1980	1963	1968	1973	1978	1980
North Carolina	$ 6.76	$ 6.76	$ 6.66	$ 6.56	$ 10.13	$ 13.20	$ 13.76	$ 9.63	$ 9.42	$ 11.76	$ 21.26	$ 24.05	$ 13.10	$ 12.79	$ 15.99	$ 30.09	$ 32.63
Alabama	5.52	5.42	5.32	6.10	10.13	11.17	13.53	8.34	8.35	11.39	18.68	23.63	11.01	11.02	14.92	26.60	33.99
California	6.04	6.85	6.62	6.91	10.63	10.92	11.59	9.74	9.32	12.39	22.00	22.79	12.86	12.33	16.39	32.39	34.24
Florida	8.07	8.03	7.67	7.27	10.88	12.31	14.37	12.09	11.42	12.41	21.41	25.53	16.21	15.43	16.94	30.45	36.68
Indiana	7.03	7.23	7.55	7.52	9.41	14.98	15.50	10.27	10.31	11.76	20.68	26.68	14.31	13.98	15.97	28.41	35.22
Maine	8.35	8.82	8.94	8.59	11.97	14.12	15.69	12.31	11.84	13.26	20.21	26.05	17.47	15.96	17.93	27.34	35.98
Michigan	7.32	7.44	7.42	7.48	10.06	13.59	14.16	9.97	7.59	10.41	18.56	25.65	14.52	12.24	15.59	28.46	33.74
Ohio	6.86	7.12	7.22	7.19	10.99	14.29	16.20	10.65	10.40	11.67	22.61	28.26	14.99	14.25	16.03	32.06	39.94
South Carolina	6.76	6.77	6.73	6.72	11.82	13.48	15.21	10.09	10.02	12.42	21.89	25.40	13.47	13.33	16.39	30.92	34.77
Virginia	7.66	7.65	7.34	7.29	13.24	16.12	19.01	10.15	10.11	13.21	24.36	33.10	13.83	13.57	17.14	33.07	46.31
United States	7.18	7.44	7.38	7.51	11.49	13.86	15.28	10.64	10.37	12.56	22.19	27.50	14.65	14.16	16.96	31.23	36.93
North Carolina Rank— (Low to High-9 states listed)	4th Lowest	2nd Lowest	3rd Lowest	2nd Lowest	3rd Lowest	4th Lowest	3rd Lowest	2nd Lowest	3rd Lowest	4th Lowest	5th Lowest	3rd Lowest	3rd Lowest	4th Lowest	4th Lowest	5th Lowest	1st Lowest
North Carolina Rank (Low to High-50 states & D.C.—except 1955—48 states)	16th Lowest	10th Lowest	10th Lowest	11th Lowest	24th Lowest	26th Lowest	20th Lowest	13th Lowest	15th Lowest	24th Lowest	30th Lowest	21st Lowest	11th Lowest	13th Lowest	23rd Lowest	31st Lowest	18th Lowest
N.C. average lower than U.S. average — Percent	5.4%	9.1%	9.8%	12.7%	11.8%	4.8%	9.9%	8.5%	9.2%	6.4%	4.2%	12.5%	10.6%	9.7%	5.7%	3.7%	11.6%

Source: "Typical Electric Bills" for applicable years
— U.S. Dept. of Energy

FIGURE NO. 19

ELECTRIC GENERATING CAPACITY OWNED AND PURCHASED WITH GENERATING CAPACITY LOCATED IN NORTH CAROLINA SHOWN

(Unit of Measurement—Kilowatt—000's—)

FOR THE PERIOD 1960, 1965, 1970, 1975, 1979, 1980

Generating Capacity Owned—Maximum Name Plate Rating Used

Class A Companies	Steam						Gas Turbine				Hydroelectric					
	1960	1965	1970	1975	1979	1980	1970	1975	1979	1980	1960	1965	1970	1975	1979	1980
Carolina Power & Light Co.	1,048	1,627	2,695	5,729	6,596	7,341	308	1,295	1,295	1,295	227	220	220	220	220	220
Duke Power Company	2,829	3,454	5,366	10,675	10,167	10,167	229	388	599	599	498	768	868	1,008	1,007	1,007
Nantahala Power & Light Co.	—0—	—0—	—0—	—0—	—0—	—0—	Na	Na	Na	Na	99	94	99	99	99	99
Virginia Electric & Power Co.	2,045	3,363	4,628	8,376	9,356	10,336	350	563	531	531	136	306	278	288	286	286
Totals	5,922	8,444	12,689	24,780	26,119	27,844	887	2246	2,425	2,425	960	1,388	1,465	1,615	1,612	1,612
% Increase (Decrease)		42.6%	50.3%	95.3%	5.4%	6.6%		153.2%	8.0%	—0—		44.6%	5.5%	10.2%	—0—	—0—
Generated in N.C.	Na	4,500	7,752	12,479	12,843	13,588	391	688	894	894	Na	1,030	1,114	1,147	1,144	1,444
Percent of Total	Na	53.3%	61.1%	50.4%	49.2%	48.8%	44.0%	30.6%	36.9%	36.9%	Na	74.2%	76.1%	71.0%	71.0%	71.0%

	Generating Capacity Purchased*						Total Owned & Purchased**					
	1960	1965	1970	1975	1979	1980	1960	1965	1970	1975	1979	1980
Carolina Power & Light Co.	310	229	629	240	139	138	1,584	2,076	3,852	7,484	8,249	8,994
Duke Power Company	—0—	308	108	253	110	309	3,327	4,592	6,572	12,323	11,883	12,083
Nantahala Power & Light Co.	—0—	—0—	—0—	50	75	72	99	94	99	150	175	171
Virginia Electric & Power Co.	109	N.Apl.	N.Apl.	N.Apl.	N.Apl.	N.Apl.	2,290	3,720	5,255	9,227	10,172	11,151
Totals	419	587	737	543	324	519	7,300	10,482	15,778	29,184	30,479	32,399
% Increase (Decrease)		40.1%	25.7%	(26.4%)	(40.3%)	60.2		43.6%	50.5%	85.0%	4.4%	6.3%
Generated in N.C.	Na	Na	Na	Na	Na	Na	Na	5,530	9,995	14,857	15,205	16,146
Percent of Total	Na	Na	Na	Na	Na	Na	Na	52.8%	63.3%	50.9%	49.9%	49.8%

* Based on annual maximum demand

** 1970-78 figures for Total Owned & Purchased include amounts for Gas Turbines

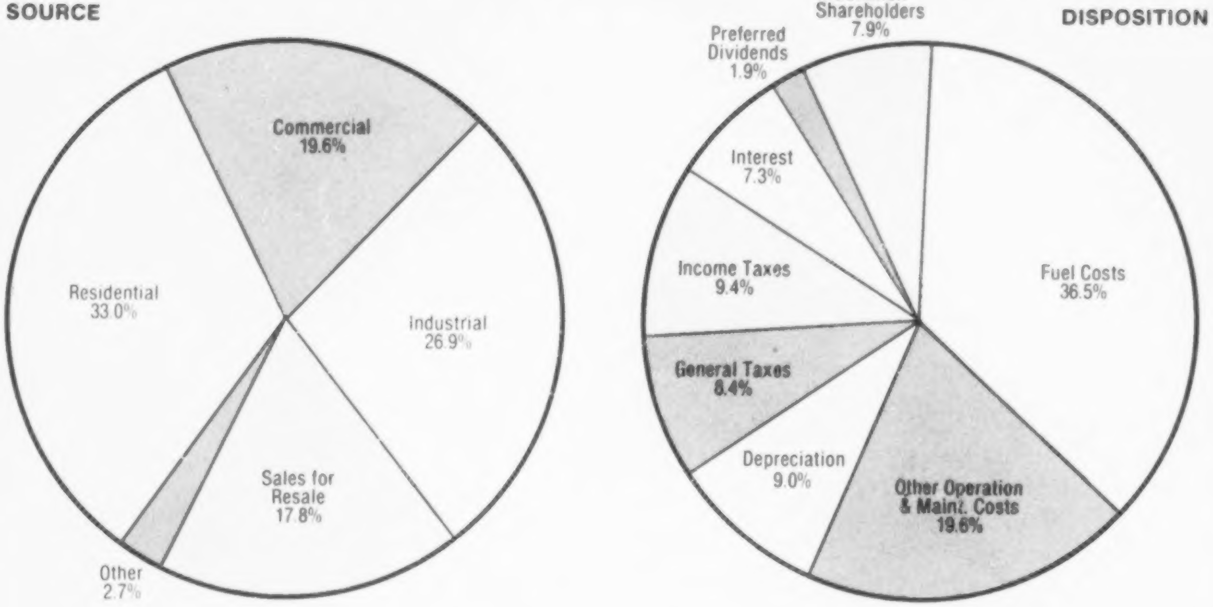
Na Not available

N. Apl. Not applicable

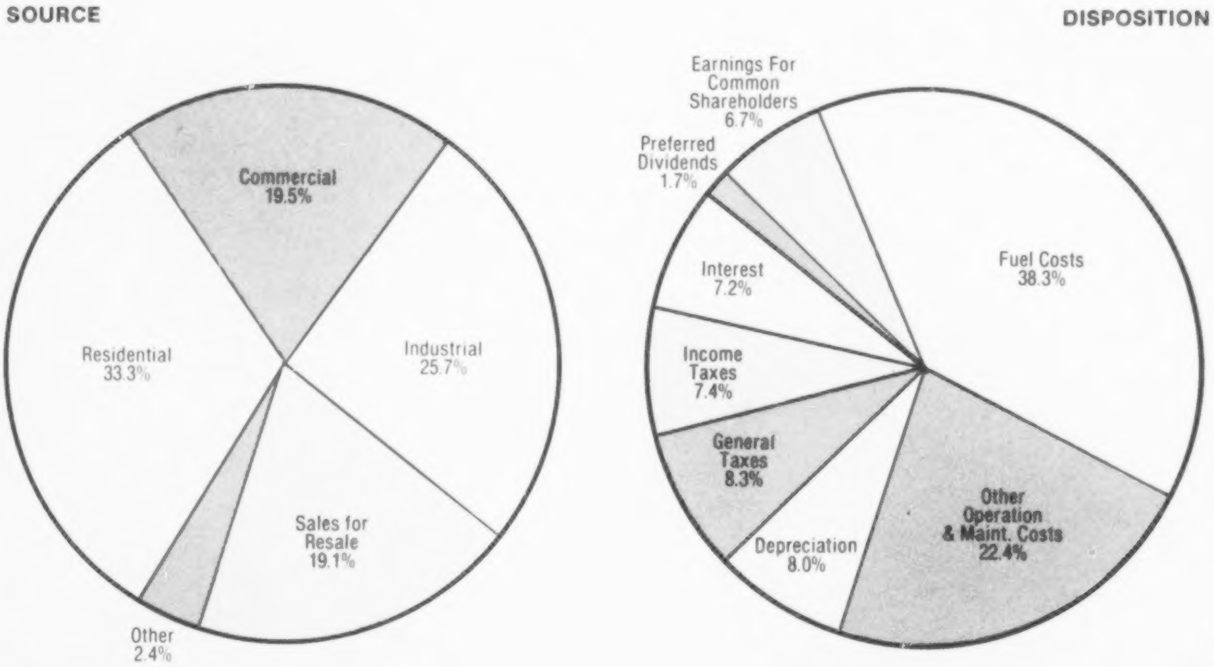
FIGURE NO. 20

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR ELECTRIC COMPANIES

North Carolina Class A Operations Only
(Dollars in 000's)
December 31, 1979



December 31, 1980



Note: Earnings for Crmmons Shareholders are not directly related to the rate of return earned on investment.

H. ENERGY SALES

Class A companies' total energy sales in North Carolina increased in 1980 over 1979 by 4.8%, with over 65 billion kilowatt-hours sold in 1980. Figure No. 21 (bar graph) shows energy sales by class of customers for the years 1960, 1965, 1970, 1975, and 1979-1980.

The following table shows the percent of energy sales by class of customers for the years 1960, 1965, 1970, 1975, 1979, and 1980:

I. STATISTICAL SUMMARY DATA

As can be seen from Figure No. 22, the total operating revenues for North Carolina operations of the Class A electric utilities increased 14.2% for 1980 over 1979, and for the Class B, C, and D companies the increase was 7.8% for the same period.

North Carolina operating expenses for the Class A companies increased at a rate of 16.1% for 1980 over 1979, and the net operating revenue for 1980 increased 4.6% from 1979. At the same time, total operating expenses for the minor electric companies increased 14.9%, and the net operating revenue decreased by 31.5%.

Net income available for the common shareholders of the Class A companies was $564,754,091 for 1980 vs. $489,786,775 for 1979. The number of common shares outstanding at year-end increased from 213,787,541 in 1979 to 237,494,914 in 1980, or 11.1%. This resulted in an increase in earnings per share (year-end shares outstanding) from $2.29 in 1979 to $2.38 in 1980.

Total salaries and wages paid North Carolina employees by the Class A companies for 1980 was $353,389,699, an increase of 18.9% over 1979. In 1980, the number of employees residing in North Carolina was 18,534 compared with 17,959 in 1979, for an increase of 3.2%.

Class of Customers	**1960**	%	**1965**	%	**1970**	%	**1975**	%	**1979**	%	**1980**	%
Residential	4,249	28.1	6,177	26.1	10,382	25.3	13,789	26.3	16,356	26.2	17,591	26.9
Industrial	5,868	38.8	8,909	37.6	14,054	34.2	16,765	31.9	20,130	32.3	20,179	30.8
Commercial	2,050	13.6	3,658	15.5	6,575	16.0	9,232	17.6	10,972	17.6	11,757	18.0
Other (Includes Sales for Resale)	2,960	19.5	4,933	20.8	10,102	24.5	12,690	24.2	14,943	23.9	15,876	24.3
Total	15,127	100.0	23,677	100.0	41,113	100.0	52,476	100.0	62,401	100.0	65,403	100.0
% Increase over Preceding Period			56.5%		73.7%		27.6%		18.9%		4.8%	

FIGURE NO. 21

ELECTRIC COMPANIES — CLASS A

Energy Sales by Class of Customers

(North Carolina Data Only — Kilowatt-Hours in Billions)

For the Years Only 1960, 1965, 1970, 1975, 1979, 1980

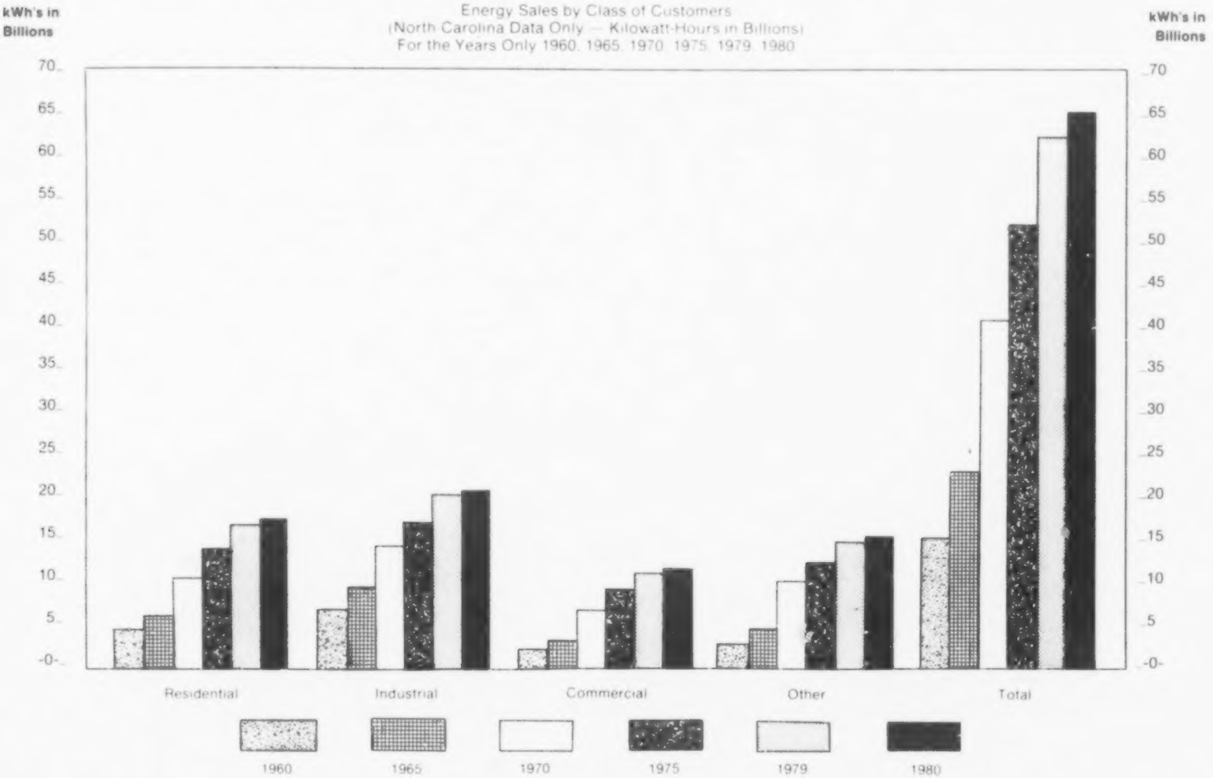


FIGURE NO. 22

ELECTRIC COMPANIES—CLASSES A, B, C, & D

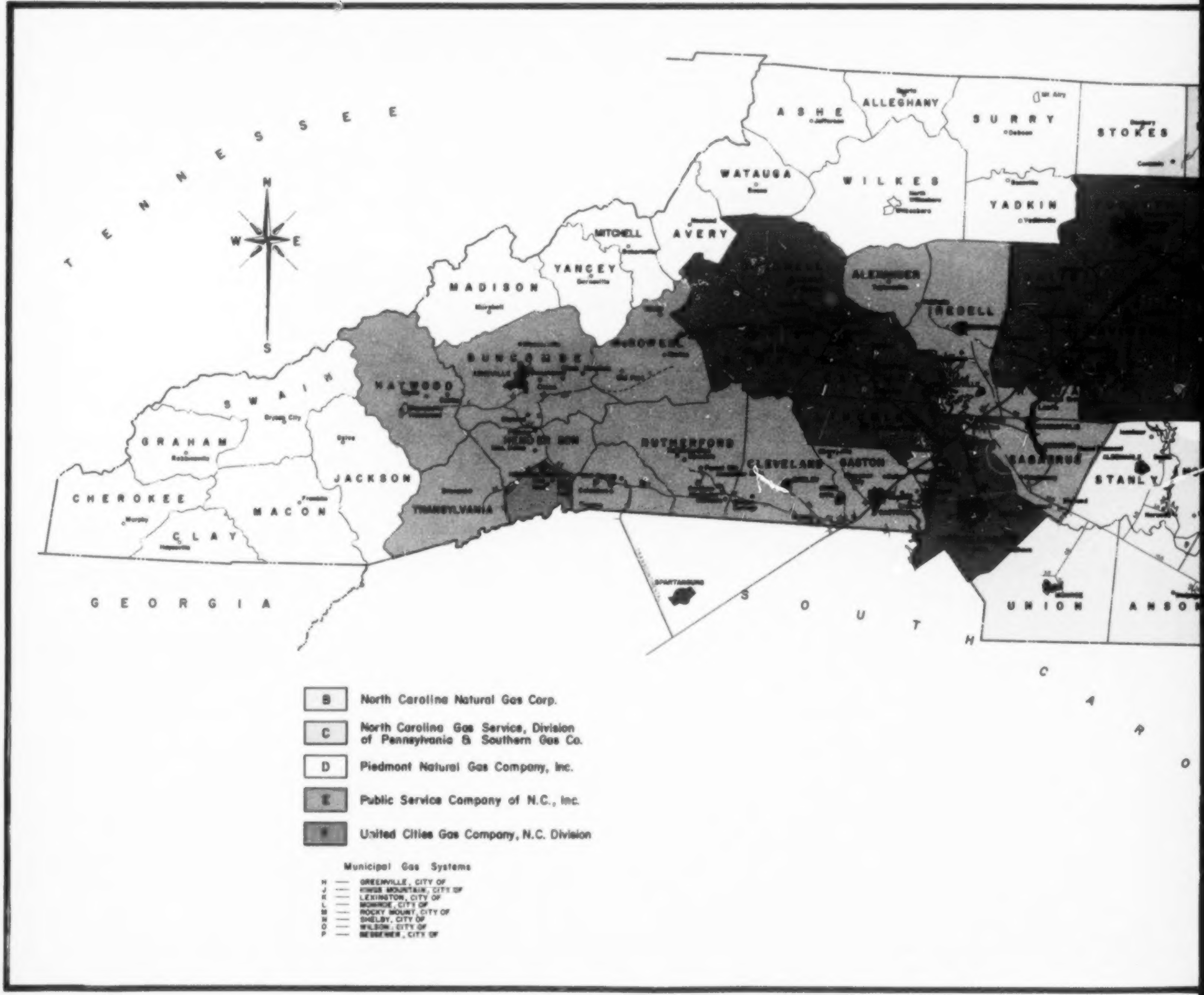
Summary of Selected Data—Income, Expenses, Balance Sheet and Statistical Items
For the Calendar Years 1960, 1965, 1970, 1975, 1979, 1980
(Dollars in 000's)

	Class A Companies $2.500.000 or More Operating Revenues						% Change More (Less)
Item	1960	1965	1970	1975	1979	1980	1979-1980
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	
Income Items (N.C. Only):							
Residential Sales	$ 83,380	$ 112,279	$ 176,631	$ 425,940	$ 656,148	$ 754,138	14.9
Commercial Sales	37,704	57,601	95,310	255,494	389,007	441,909	13.6
Industrial Sales	48,897	71,737	118,277	343,589	533,296	583,685	9.4
Sales for Resale	20,792	31,332	63,760	216,148	352,732	432,751	22.7
All Other Operating Revenue	6,867	12,409	16,379	26,465	53,659	53,387	(.5)
Total Operating Revenue	$ 197,640	$ 285,358	$ 470,357	$ 1,267,636	$ 1,984,842	$ 2,265,870	14.2
Expense Items (N.C. Only):							
Operating & Maintenance	$ 82,502	$ 119,869	$ 271,149	$ 688,699	$ 1,114,250	$ 1,374,502	23.4
Depreciation & Amortization	22,973	323.10	54,666	118,286	177,635	181,696	2.3
Taxes:							
State Income Taxes	3,052	4,997	2,194	6,281	16,460	15,179	(7.8)
State Gross Receipts Taxes	11,592	16,589	26,912	75,007	117,579	135,011	14.8
Local Property Taxes	5,741	8,495	13,460	24,629	33,393	35,740	7.0
All Other Taxes	28,148	38,732	17,442	114,083	186,849	169,536	(9.3)
Total Taxes	$ 48,533	$ 68,812	$ 60,008	$ 220,000	$ 354,281	$ 355,466	.3
Total Operating Expenses	$ 156,810	$ 220,991	$ 385,823	$ 1,026,985	$ 1,646,166	$ 1,911,664	16.1
Net Operating Revenue	$ 40,830	$ 64,367	$ 84,534	$ 240,651	$ 338,676	354,206	4.6
Income Items (Systemwide):							
Operating Revenue	$ 397,459	$ 571,082	$ 949,248	$2,568,719	$ 4,083,045	$ 4,825,864	18.2
Operating Expense	309,888	432,958	751,909	2,032,596	3,343,242	3,987,765	19.3
Net Operating Revenue	$ 87,571	$ 138,124	$ 197,339	$ 536,123	$ 739,803	838,099	13.3
Net Income (From All Sources)	$ 70,066	$ 100,753	$ 148,191	$ 385,487	$ 625,645	$ 715,069	14.3
Shares of Common Stock Outstanding — Year End (000's)	55,246	57,732	76,521	153,728	213,788	237,495	11.1
Average Earnings Per Share — Shares at Year End (After Preferred Stocks Dividends)	$ 1.17	$ 1.67	$ 1.62	$ 1.88	$ 2.29	$ 2.38	3.9
Balance Sheet Items (N.C. Only):							
Utility Plant (Electric Portion Only)	$ 912,184	$ 1,325,690	$ 2,488,154	$ 5,272,237	$ 7,848,021	$ 8,938,428	13.9
Depreciation Reserve	231,140	352,626	531,566	879,269	1,438,808	1,608,886	11.8
Net Utility Plant (Original Cost)	$ 681,044	$ 973,064	$ 1,956,588	$ 4,392,968	$ 6,409,213	$ 7,329,542	14.4
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 737,334	$ 1,023,461	$ 2,168,664	$ 4,814,049	$ 6,541,758	$ 7,403,022	13.2
Total Capitalization	$ 1,476,166	$ 2,005,861	$ 3,941,246	$ 9,094,143	$12,835,284	$14,333,818	11.7
Long-Term Debt — % of Total Capitalization	49.9	51.0	55.0	52.9	51.0	51.6	1.2
Statistics (N.C. Unless Otherwise Noted):							
Total Customers—Yearly Average	938,705	1,065,650	1,243,389	1,454,445	1,627,150	1,667,661	2.5
Average No. kW's Used Per Residential Customer	5,204	6,697	9,695	11,002	11,716	12,272	4.7
Average Revenue per kWh-Residential Customer	1.96¢	1.82¢	1.70¢	3.09¢	4.01¢	4.29¢	7.0
No. of Employees Residing in N.C.	7,454	7,875	9,414	14,022	17,959	18,534	3.2
Wages & Salaries Paid N.C. Employees	$ 39,146	$ 49,359	$ 80,612	$ 177,550	$ 297,320	$ 353,390	18.9
System Sales to Ultimate Consumer (kWh's in 000's)			32,023,596	40,916,099	48,645,229	50,495,469	3.8
System Sales for Resale (kWh's in 000's)			9,089,804	11,559,681	13,756,237	14,907,807	8.4
Total Sales to Ultimate Customers and for Resale (kWh's in 000's)			41,113,400	52,475,780	62,401,466	65,403,276	4.8

Class B, C, & D Companies
(Companies with Operating Revenues Under $2.500.00)

No. of Companies Included in this Data	11	9	8	8	5	4	
Income Items (N.C. Only):							
Total Operating Revenue	$ 905	$ 1,197	$ 2,208	$ 5,791	$ 5,757	$ 6,205	7.8
Expense Items (N.C. Only):							
Total Operating Expenses	$ 760	$ 1,014	$ 1,808	$ 4,579	$ 4,870	$ 5,597	14.9
Net Operating Revenue	$ 145	$ 183	$ 400	$ 1,212	$ 887	$ 608	(31.5)
Balance Sheet Items (N.C. Only):							
Utility Plant (Electric Portion Only)	$ 1,746	$ 2,320	$ 3,342	$ 8,607	$ 8,098	$ 8,168	.9
Depreciation Reserve	581	1,037	1,442	2,513	2,170	2,213	2.0
Net Utility Plant	$ 1,165	$ 1,283	$ 1,900	$ 6,094	$ 5,928	$ 5,955	.5
Statistics (N.C. Unless Otherwise Noted):							
Total Customers—Year End	7,207	8,134	10,273	12,561	7,962	7,075	(11.1)
Average Revenue per kWh—Residential Customer	2.74¢	2.48¢	2.21¢	3.45¢	3.68¢	4.22¢	14.7
System Sales to Ultimate Customer (kWh's in 000's)	33,167	47,237	112,912	172,268	156,535	150,565	(3.8)

V. The Natural Gas Industry

TENNESSEE
GEORGIA
SOUTH CARO
N
S
W
E
ASHE
ALLEGHANY
SURRY
STOKES
WATAUGA
WILKES
YADKIN
AVERY
MITCHELL
YANCEY
MADISON
ALEXANDER
IREDELL
MCDOWELL
BUNCOMBE
HAYWOOD
SWAIN
GRAHAM
JACKSON
CHEROKEE
MACON
CLAY
HENDERSON
TRANSYLVANIA
RUTHERFORD
POLK
CLEVELAND
GASTON
CABARRUS
STANLY
UNION
ANSON
SPARTANBURG
B North Carolina Natural Gas Corp.
C North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
D Piedmont Natural Gas Company, Inc.
E Public Service Company of N.C., Inc.
F United Cities Gas Company, N.C. Division
Municipal Gas Systems
H — GREENVILLE, CITY OF
J — KINGS MOUNTAIN, CITY OF
K — LEXINGTON, CITY OF
L — MONROE, CITY OF
M — ROCKY MOUNT, CITY OF
N — SHELBY, CITY OF
O — WILSON, CITY OF
P — BESSEMER, CITY OF

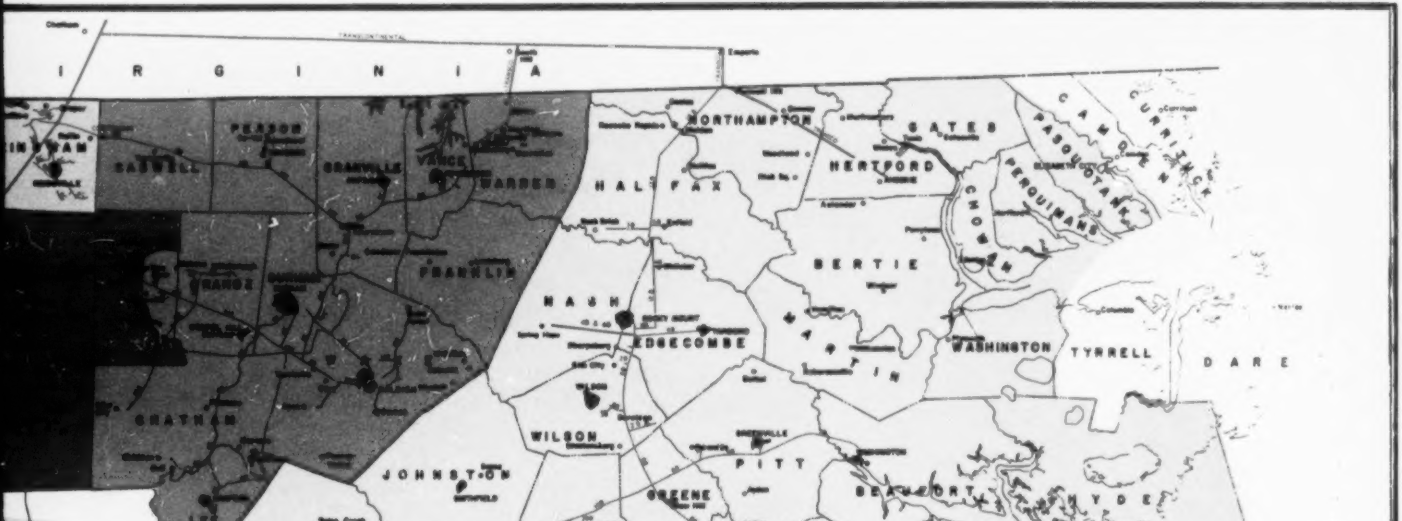

TRANSCONTINENTAL
I R G I N I A
Emporia
PERSON
CASWELL
GRANVILLE
VANCE
WARREN
NORTHAMPTON
GATES
CAMDEN
CURRITUCK
PASQUOTANK
PERQUIMANS
HERTFORD
CHOWAN
HALIFAX
BERTIE
ORANGE
FRANKLIN
NASH
EDGECOMBE
MARTIN
WASHINGTON
TYRRELL
DARE
CHATHAM
WILSON
JOHNSTON
PITT
GREENE
BEAUFORT
HYDE
LEE
HARNETT
WAYNE
MOORE
LENOIR
CRAVEN
PAMLICO
HOKE
RICHMOND
CUMBERLAND
SAMPSON
DUPLIN
JONES
SCOTLAND
ONSLOW
CARTERET
BLADEN
PENDER
ROBESON
COLUMBUS
NEW HANOVER
BRUNSWICK
ATLANTIC OCEAN
0 8 16 24 32 40
SCALE IN MILES

FIGURE NO. 23

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS
IN
NORTH CAROLINA

1980

FIGURE NO. 24

GAS COMPANIES AND MUNICIPAL GAS SYSTEMS
OPERATING IN THE STATE OF NORTH CAROLINA
AS OF 12-31-80

GAS COMPANIES

North Carolina Natural Gas Corp.
Frank Barragan, Jr., President
Drawer 909
Fayetteville, North Carolina

North Carolina Gas Service, Division of
Pennsylvania & Southern Gas Co.
J.E. Connolly, Vice President
P.O. Box 779
Reidsville, North Carolina

C.B. Coulter, President
Pennsylvania & Southern Gas Co.
P.O. Box 10
Sayre, Pennsylvania

Piedmont Natural Gas Company, Inc.
John H. Maxheim, President
P.O. Box 1968
Charlotte, North Carolina

Public Service Company of N.C., Inc.
C.E. Zeigler, President
400 Cox Road
Gastonia, North Carolina

United Cities Gas Company
North Carolina Division
Gene C. Koonce, President
C.B. Dushane, Jr., Chairman of the Board
1200 Parkway Towers
404 James Robertson Parkway
Nashville, Tennessee

Don Howard, Manager
United Cities Gas Company
Box 200
Hendersonville, North Carolina

MUNICIPAL GAS SYSTEMS

Bessemer City, City of
William E. Metalfe
City Manager
Bessemer City, N.C.

Greenville, City of
Charles O'H. Horne, Jr.
Director of Utilities
Greenville, N.C.

Kings Mountain, City of
John Henry Moss
Mayor
Kings Mountain, N.C.

Lexington, City of
Eugene T. Morris
City Manager
Lexington, N.C.

Monroe, City of
J.E. Hinkel
City Manager
Monroe, N.C.

Rocky Mount, City of
C.W. Bateman, Jr.
Director of Utilities
Rocky Mount, N.C.

Shelby, City of
C.L. Weems
Gas Superintendent
Shelby, N.C.

Wilson, City of
C.W. Whitley
Director of Utilities
Wilson, N.C.

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1979 and 1980, there were five (5) Class A & B utility companies under the regulation of the North Carolina Utilities Commission. The Class A & B companies each have annual gas operating revenues in excess of $1 million.

The North Carolina companies are primarily distribution companies, purchasing their gas for resale mainly from Transcontinental Gas Pipeline Corporation (Transco), the only interstate gas pipeline operating within the State. Transco purchases natural gas from producers in Texas and Louisiana and transports it to North Carolina, where it is resold to the distributing companies at rates prescribed by the Federal Energy Regulatory Commission on the basis of three (3) rate zones based on distance from the point of production. North Carolina is in zone 2, which is bound by the Georgia-South Carolina state line on the south and Virginia-Maryland state line on the north.

The gas supplies available to North Carolina's companies are based on the amount of gas Transco has available. The supplies are allocated to distribution companies based on an end-use plan for the summer and winter seasons, if necessary. The distribution companies were able to receive their full contract from Transco for almost all of the 1979 season, and were able to receive their full contract for the 1980 summer season. Although Transco did reimpose some curtailment during winter seasons, because of storage availability, this had no effect on North Carolina's distribution companies' service to its customers.

Only three (3) of the distributing companies in North Carolina have operations in other states: North Carolina Gas Service, a division of Pennsylvania & Southern Gas Company; Piedmont Natural Gas Company, Inc., and United Cities Gas Company. Under existing Federal Law, any intrastate operation of distributing companies whose purchases and sales are all made within the State are under the jurisdiction of the State, i.e., the North Carolina Utilities Commission in North Carolina.

B. PLANT INVESTMENT AND EXPANSION

There are over 160 North Carolina cities and towns served by the natural gas utilities, which have a combined population in excess of 2,750,000. The natural gas companies continued limited expansion of services by investing over $37 million in plant facilities in 1980, as compared to almost $19 million in 1979, almost $16 million in 1978, and $11 million in 1977. At December 31, 1980, their combined total gross investment for the State was $385,762,000. This represents an increase of 10.7% over 1979, and exceeds the 4.9% customer growth for the same period.

NATURAL GAS COMPANIES — CLASSES A & B
GROSS PLANT INVESTMENTS — YEAR-END DATA ($000's)
1963-1980

	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Serv. Co. of N.C.	United Cities Gas	Totals	% Increase over Prior Year
1963	$29,325	$2,338	$ 45,175	$ 37,293	$ 672	$114,803	
1964	30,237	2,505	49,765	42,591	694	125,783	9.6
1965	31,136	2,730	55,621	48,008	705	138,200	9.9
1966	32,272	3,059	59,880	54,382	763	150,356	8.6
1967	34,353	3,360	65,384	61,963	922	165,982	10.4
1968	40,463	3,655	72,417	68,359	919	185,813	11.9
1969	44,597	3,876	79,287	74,799	1,001	203,560	9.6
1970	47,676	4,064	86,347	80,825	1,386	220,298	8.2
1971	51,691	4,366	89,675	86,047	1,623	233,402	5.9
1972	54,416	4,581	99,864	90,964	1,868	251,693	7.8
1973	56,571	4,792	107,031	95,663	2,070	266,127	5.7
1974	58,162	4,858	110,179	100,982	2,275	276,456	3.9
1975	59,981	5,304	111,973	111,602	2,402	291,262	5.4
1976	62,363	5,451	113,970	118,924	2,606	303,314	4.1
1977	64,355	5,440	117,842	123,821	2,744	314,202	3.6
1978	66,859	5,595	125,140	129,207	3,010	329,811	4.9
1979	70,393	5,826	132,120	137,009	3,211	348,559	5.7
1980	76,058	6,284	147,546	151,932	3,942	385,762	10.7
Percent Increase (Decrease) 1980 over 1979	8.0%	7.9%	11.7%	10.9%	22.8%	10.7%	

C. GROWTH TRENDS — CUSTOMERS, REVENUES, MCF'S AND DEKATHERMS

The annual average number of natural gas utility customers increased 4.9% in 1980 over 1979. The natural gas industry is reasonably young and comparatively small in North Carolina, having been started during the 1950-1958 period, and this accounts particularly for the high growth rate in customers through 1971. Figure No. 25 shows the customer growth for the years 1965, 1970, 1975-1980 by major customer classification.

Additional breakdown between industrial firm and interruptible customers is shown in the following table.

Figure No. 26 shows the total customer growth by regulated companies and municipal gas systems with total revenues of gas sold in MCF's* and Dekatherms* for the years 1965, 1970, 1975, and 1978-1980. The municipal's growth in customers in 1980 over 1979 was .8%, while the regulated utility growth for the same period was 4.9%.

---

*MCF = Thousand cubic feet
Dekatherm = 1,030 MCF's

FIGURE NO. 25

GAS COMPANIES — CUSTOMER GROWTH BY CLASSES
(North Carolina Data Only — Annual Average Shown)
1965, 1970, 1975-1980

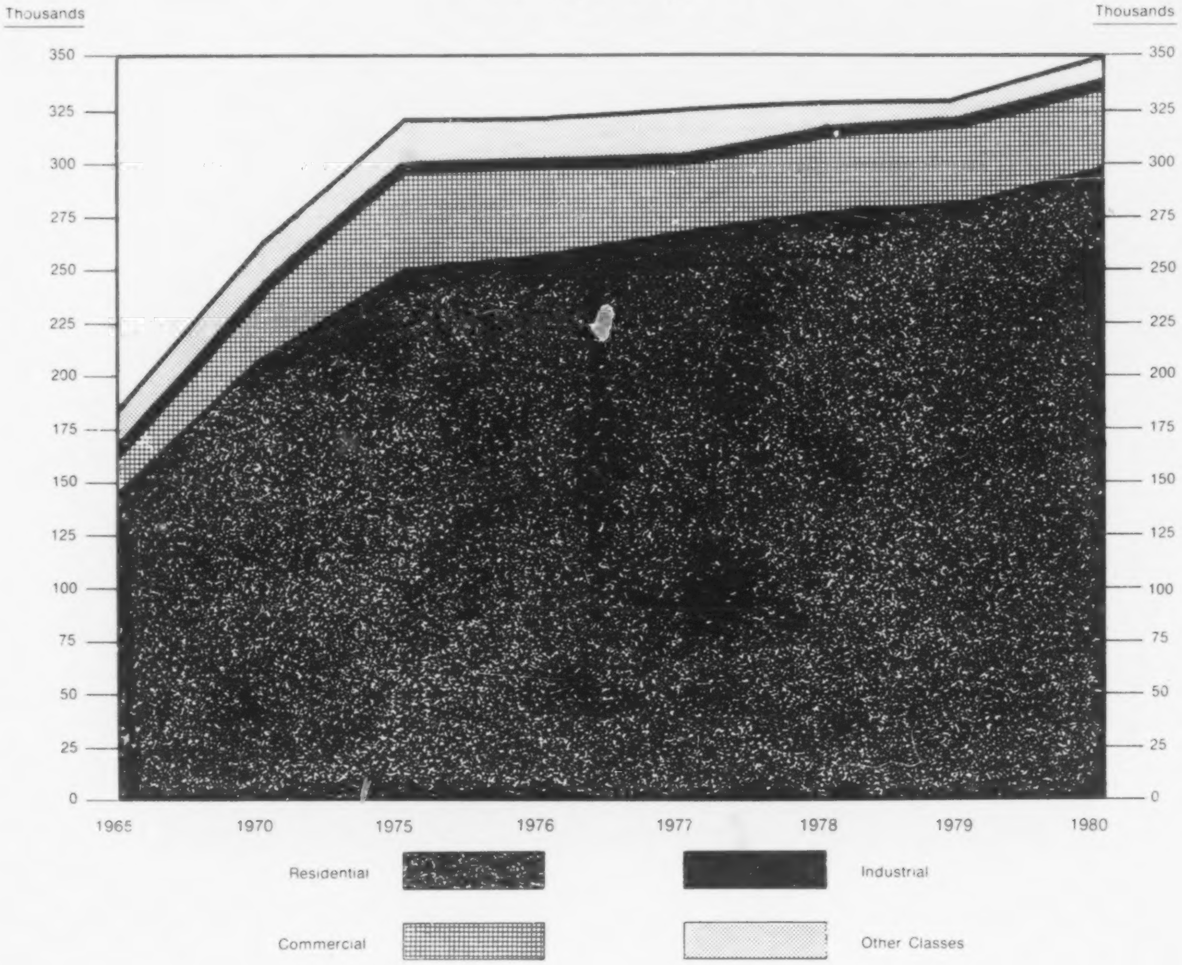


FIGURE NO. 26

REGULATED AND MUNICIPAL GAS SYSTEMS

Number of Customers, Total Revenue from Sales of Gas and Total MCFs and Dekatherms Sold
For the Years 1965, 1970, 1975, 1978-1980
($, MCFs & Dekatherms in 000's)

Regulated Utilities	Number of Customers—Yearly Average[1] (N.C. Data Only) 1965	1970	1975	1978	1979	1980	% Increase (Decrease) 1980 over 1979
Class A & B:							
North Carolina Natural Gas	32,653	40,676	50,150	54,821	55,302	58,082	5.0
North Carolina Gas Service, (Div of Penn. & Southern Gas Co.)	4,943	7,562	8,220	8,304	8,670	8,739	.8
Piedmont Natural Gas Co., Inc.	87,018	117,270	137,461	140,265	141,297	147,743	4.6
Public Service Co. of N.C.	59,472	94,942	116,198	122,030	125,030	131,787	5.4
United Cities Gas Co.	1,301	1,836	2,534	2,675	2,755	2,947	7.0
Total — Regulated Utilities	185,387	262,286	314,563	328,095	333,054	349,298	4.9
Municipals:[2]							
Bessemer City	303	534	508	452	376	354	(5.9)
Greenville, City of	3,913	4,057	4,687	3,622	3,580	3,456	(3.5)
Kings Mountain, City of	1,000	1,381	1,637	1,547	1,735	1,767	1.8
Lexington, City of	3,576	4,535	4,354	4,245	4,256	4,369	2.7
Monroe, City of	1,030	1,562	2,419	2,257	2,247	2,361	5.1
Rocky Mount, City of	3,464	5,580	7,460	7,902	7,903	8,195	3.7
Shelby, City of	2,656	3,752	3,767	3,744	3,906	3,684	(5.7)
Wilson, City of	3,540	4,626	5,442	5,835	5,804	5,873	1.2
Total — Municipals	19,482	26,027	30,274	29,604	29,807	30,059	.8
GRAND TOTALS — ALL GAS SYSTEMS	204,869	288,313	344,837	357,699	362,861	379,357	4.5

[1] Public Housing Units counted as customers; amounts for Municipal Gas are year end figures.
[2] Municipal Data for Fiscal Years ending June 30th.

Regulated Utilities	Total Revenue From Sales of Gas (N.C. Data Only) ($ In 000's) 1965	1970	1975	1978	1979	1980	% Increase (Decrease) 1980 over 1979
Class A & B:							
North Carolina Natural Gas	$ 10,599	$ 24,439	$ 42,986	$ 56,669	$ 91,263	$137,056	50.2
North Carolina Gas Service, (Div of Penn. & Southern Gas Co.)	1,222	2,466	3,166	5,139	6,754	9,642	42.8
Piedmont Natural Gas Co., Inc.	22,194	36,828	59,831	81,207	127,198	179,421	41.1
Public Service Co. of N.C.	17,738	33,995	52,053	79,095	115,633	158,891	37.4
United Cities Gas Co.	359	630	1,096	1,732	2,512	3,011	19.9
Total — Regulated Utilities	$ 52,112	$ 98,358	$159,132	$223,842	$343,360	$488,021	42.1
Municipals:[1]							
Bessemer City	$ 93	$ 167	$ 301	$ 601	$ 751	$ 1,023	36.2
Greenville, City of	364	589	1,145	1,901	2,668	3,660	37.2
Kings Mountain, City of	427	479	947	1,455	2,052	2,817	37.3
Lexington, City of	718	1,327	1,930	3,445	4,287	6,759	57.7
Monroe, City of	331	680	1,001	1,924	1,992	3,078	54.5
Rocky Mount, City of	922	1,543	2,715	4,482	4,323	8,563	98.1
Shelby, City of	1,240	1,743	2,338	3,508	5,149	8,649	68.0
Wilson, City of	572	919	1,399	2,349	2,503	2,883	15.2
Total — Municipals	$ 4,667	$ 7,447	$ 11,776	$ 19,665	$ 23,725	$ 37,432	57.8
GRAND TOTALS — ALL GAS SYSTEMS	$ 56,779	$105,805	$170,908	$243,507	$367,085	$525,453	43.1

[1] Municipal Data for years ending June 30th.

FIGURE NO. 26 (Continued)

REGULATED AND MUNICIPAL GAS SYSTEMS

Number of Customers, Total Revenue from Sales of Gas and Total MCFs and Dekatherms Sold
For the Years 1965, 1970, 1975, 1978-1980
($, MCFs & Dekatherms in 000's)

	Total MCFs and Dekatherms of Gas Sold (000's)[1] (N.C. Data Only)						% Increase (Decrease)
Regulated Utilities	**1965**	**1970**	**1975**	**1978**	**1979**	**1980**	**1980 over 1979**
Class A & B:							
North Carolina Natural Gas	17,039	39,687	30,763	22,844	34,676	41,947	21.0
North Carolina Gas Service, (Div of Penn. & Southern Gas Co.)	1,717	4,265	1,898	1,751	2,287	2,672	16.8
Piedmont Natural Gas Co., Inc.	28,154	46,231	34,822	28,242	42,657	48,991	14.8
Public Service Co. of N.C.	23,234	42,106	30,490	25,701	37,727	43,942	16.5
United Cities Gas Co.	395	755	576	533	835	868	4.0
Total — Regulated Utilities	70,539	133,044	98,549	79,071	118,182	138,420	17.1
Municipals:							
Bessemer City	135	259	290	338	329	379	15.2
Greenville, City of	320	456	600	519	747	940	25.8
Kings Mountain, City of	642	695	980	888	1,012	1,008	(.4)
Lexington, City of	919	2,018	2,024	2,312	2,470	2,609	5.6
Monroe, City of	367	810	670	662	615	878	42.8
Rocky Mount, City of	1,308	1,726	1,608	1,462	1,417	2,170	53.1
Shelby, City of	2,576	3,676	2,760	2,372	2,882	3,553	23.3
Wilson, City of	545	821	782	742	753	853	13.3
Total — Municipals	6,812	10,461	9,714	9,295	10,225	12,390	21.2
GRAND TOTALS — ALL GAS SYSTEMS	77,351	143,505	108,263	88,366	128,407	150,810	17.4

[1] Sales for period 1965-1977 shown in MCFs.
Sales from 1978 shown in Dekatherms (DTs)
Dekatherm = 1.030 MCFs

[2] Municipal Data for years ending June 30th.

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1980

	Residential	Commercial	Industrial			Other* Classes	Totals	% Increase Over Prior Year
			Firm	Interruptible	Total			
1963	125,435	17,470			1,661	13,387	157,953	
1964	134,097	18,903			1,802	13,276	168,078	6.4
1965	145,080	20,613			1,860	17,834	185,387	10.3
1966	156,836	22,363			1,984	16,187	197,370	6.5
1967	169,127	24,241			2,107	15,639	211,114	7.0
1968	182,622	26,250			2,018	17,193	228,083	8.0
1969	196,570	28,918			2,625	18,580	246,693	8.2
1970	208,712	30,572			2,789	20,213	262,286	6.3
1971	220,941	31,834	1,451	857	2,308	20,435	275,518	5.0
1972	233,746	32,409	1,429	907	2,336	21,083	289,754	5.2
1973	242,405	33,245	1,339	879	2,218	21,645	299,513	3.4
1974	251,611	34,239	1,011	872	1,883	21,820	309,553	3.4
1975	257,952	35,141	1,037	848	1,885	22,221	317,616	2.6
1976	259,355	35,435	1,096	656	1,752	22,561	319,103	.5
1977	267,629	35,141	1,312	550	1,862	17,007	321,639	.8
1978	276,273	35,559	1,543	276	1,819	14,444	328,095	2.0
1979	280,289	36,162	1,561	248	1,809	14,794	333,054	1.5
1980	294,343	37,904	1,617	294	1,911	15,140	349,298	4.9
Percent Increase (Decrease) 1980 over 1979	5.0%	4.8%	3.6%	18.5%	5.6%	2.3%	4.9%	

*Includes public housing units rather than meters.

Growth in revenues from the sale of gas in 1980 over 1979 for the regulated section was 42.1%, and for the municipals 57.8%. The quantity of gas sold in terms of Dekatherms in 1980 over 1979 increased 17.1% for the regulated utilities and 21.2% for the municipals. The municipal data is for the fiscal year ended June 30th.

Figure No. 27 shows the sale pattern of natural gas to ultimate type of customers in million Dekatherms by the North Carolina regulated natural gas companies.

D. RESIDENTIAL BILLS, USAGE AND COST PER MCF AND DEKATHERM: COMPARISONS

Rates for natural gas and its usage vary widely among companies and regions rendering it extremely difficult to make meaningful comparisons. Some of the reasons for these variances are: (a) Price — distance from source of supply, dates pipelines were constructed, and investment costs to be recovered and capitalization to be serviced, historic rate structures of different companies, and ability of the distribution company to obtain a high system load factor (ratio of actual use of a facility over a period of time compared to the full (100%) operating capacity of the facility over the same period of time) and thereby earn a lower rate on its purchased gas; (b) Usage — the percent relationship of space heating customers to total customers among companies and regions, weather conditions between companies and regions (a variance in temperature of a few degrees per day between areas can greatly affect the number of degree days) and the competitive relationship of natural gas to other energy sources such as fuel oil, electricity, and coal; (c) Saturation of Customers —i.e., the number of customers per mile of gas mains.

Some average annual usages and (MCF and Dekatherms)* costs data for the North Carolina natural gas companies and seven (7) natural gas companies located in various sections of the United States are shown on Figure No. 28. The data indicates North Carolina customers are somewhere in the middle range of the seven (7) companies shown. Due primarily to a generally mild climate, the North Carolina companies usage is lower than the national average.

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*1.030 Dekatherms (Dt's) = 1 MCF. One MCF represents about 1,040,000 BTU's in heating capacity as compared to 3,413 for a kilowatt-hour, or 13,000 BTU's per pound of coal, or 140,000 BTU's per one gallon of No. 2 fuel oil.

FIGURE NO. 27

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms — North Carolina Data Only)
1965, 1970, 1975, 1979-1980

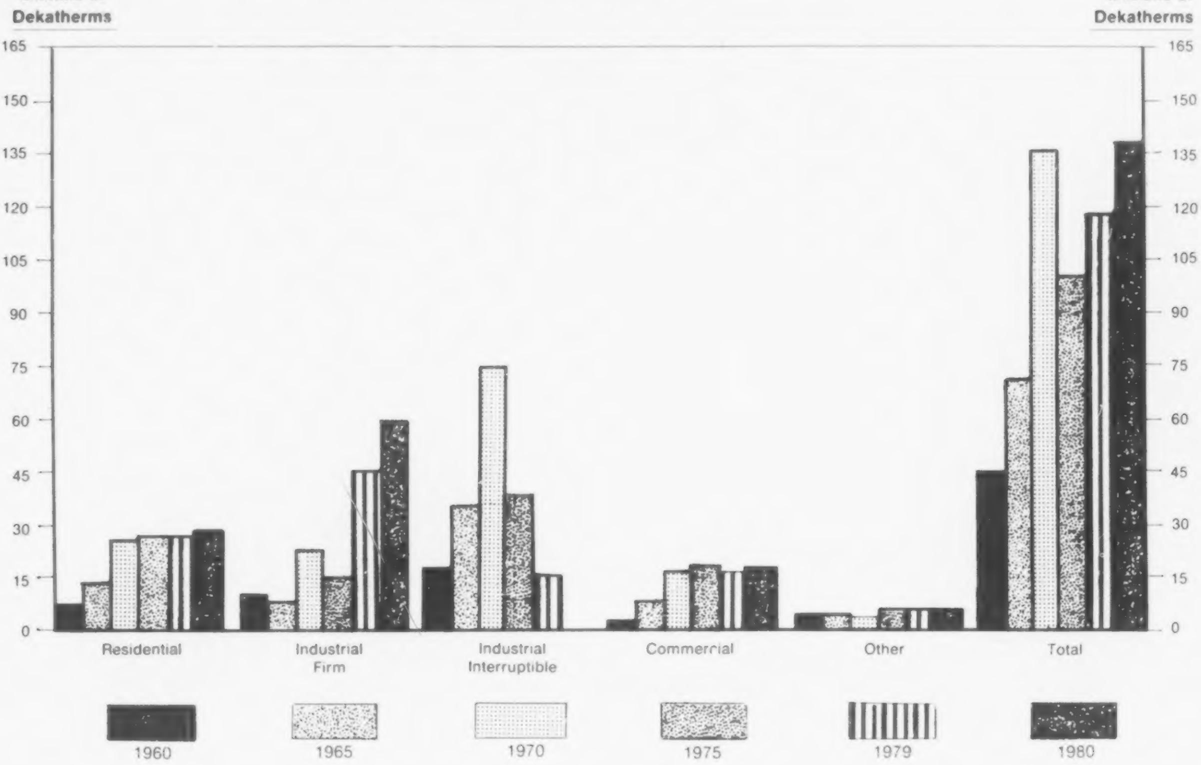

FIGURE NO. 28

RESIDENTIAL NATURAL GAS CUSTOMERS AVERAGE ANNUAL USAGE AND COST DATA (MCF and DT)
N.C. and Selected Gas Companies Outside N.C.
For the Years 1965, 1970, 1975, 1979-1980

	Use—MCF & DT[1]					Rate per MCF or DT					Total Cost				
Company	**1965**	**1970**	**1975**	**1979**	**1980**	**1965**	**1970**	**1975**	**1979**	**1980**	**1965**	**1970**	**1975**	**1979**	**1980**
N.C. Gas Companies (N.C. Data Only):															
N.C. Natural Gas Corp.	72	89	77	78	79	$1.72	$1.55	$2.02	$3.55	$4.04	$123.18	$137.95	$155.54	$276.90	$319.16
Penn. & Southern Gas Co.	121	138	116	104	92	1.08	1.00	1.79	3.45	4.11	131.25	138.00	207.64	358.80	378.12
Piedmont Natural Gas Co., Inc.	99	124	97	104	106	1.34	1.46	1.99	3.46	4.07	132.56	181.04	193.03	359.84	431.42
Public Service Co. of N.C., Inc.	94	115	98	97	95	1.45	1.39	2.15	3.54	4.11	136.28	159.85	210.70	343.38	390.45
United Cities Gas Co.	68	93	88	94	89	1.72	1.53	2.40	3.75	4.18	117.05	142.29	211.20	352.50	372.02
Weighted Average	93	116	95	97	97	$1.41	$1.32	$2.05	$3.51	$4.08	$131.44	$141.98	$194.75	$340.47	$395.76
Gas Co.'s Outside N.C. (Systemwide Data):[2]															
Alabama Gas Co.	100	120	91	93	93	$1.13	$1.09	$1.72	$3.18	$4.01	$113.00	$130.80	$156.52	$295.74	$372.93
Arkansas Western Gas Co.	131	139	114	119	105	.73	.82	1.12	2.09	2.59	95.63	113.98	127.68	248.71	271.95
Indiana Gas Co.	165	170	160	155	144	.89	1.06	1.37	2.52	2.95	146.85	180.20	219.20	390.60	424.80
Fall River Gas Co.	76	93	86	88	93	1.87	1.75	3.61	4.53	5.03	142.12	162.75	310.46	398.64	467.79
Haverhill Gas. Co.	83	110	93	93	89	1.81	1.73	2.93	4.38	5.26	150.23	190.30	272.49	407.34	468.14
Mississippi Valley Gas Co.	102	102	87	91	90	.84	.88	1.41	2.73	3.30	85.68	89.76	122.67	248.43	297.00
Washington Natural Gas Co.	115	124	122	111	97	1.35	1.27	2.12	3.66	4.92	155.25	157.48	258.64	406.26	477.24
National Average[3]	117	129	122	118	115	$1.00	$1.06	$1.69	$2.74	$3.17	$117.00	$133.18	$206.18	$323.32	$364.55

[1] 1965-1975 use shown in MCFs
1979-80 use shown in Dekatherms (DTs)
1 Dekatherm = 1.030 MCFs

[2] Source: Company annual Stockholder Reports.

[3] Source: Gas Facts — Edition for Years Shown.

E. INDUSTRIAL SALES VOLUME

Industrial sales increased to 81 million from 65 million in 1980 over 1979, for an increase of 25.4%, with the total industrial sales of MCF's and Dekatherms accounting for 58.9% of total natural gas sales in North Carolina by the regulated natural gas companies. In 1980, firm industrial sales increased 31.0% over 1979 and interruptible industrial sales increased 12.6% for the same period.

See Figure No. 29 for a summary of natural gas MCF's and Dekatherms sold, revenues, and customers by classification with percent of totals shown for industrial customers.

F. RATE CHANGES — GAS TRACKINGS

General Rate Increases. A portion of the revenue increase in 1979 and 1980 reflects the general rate increases approved by the Commission for the following companies:

GENERAL RATE INCREASES APPROVED GAS COMPANIES
For the Years 1979 & 1980

Company	Date Filed	Docket Number	Amount Requested ($000's)	Interim ($000's)	Amount Approved Final $000's	Date of Final Order
1979						
Piedmont Natural	8-01-79	G-9, Sub 192[1]	$5,984	—	$4,149	10-31-79
1980						
N.C. Gas Serv. (Div. of Penn & Southern Gas) ..	2-25-80	G-3, Sub 95[2]	$1,110	$750	$1,042	7-29-80
United Cities Gas Co.	10-11-79	G-1, Sub 75[2]	174	—	174	5-06-80

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[1] This general rate case encompassed Docket No. G-9, Subs 176, 176-A, 181, 186, 187, 189, and 193 and was intended to settle all over and under collections in these dockets. The net result was a refund of $5,018,807 to Piedmont customers and an increase in the Gross Operating Income of approximately $4,149,000. This "settlement" in general rate case Sub 192 also eliminated the use of Curtailment Tracking Adjustment (CTA).

[2] The Curtailment Tracking Adjustment (CTA) provision for these companies was discontinued with the general rate cases.

Gas Tracking Activity — Price Changes. Pursuant to authority granted to the Utilities Comission in G.S. 62-133 by the 1971 General Assembly, the Commission in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline supplies. This tracking authority has reduced the amount and number of general rate cases filed with the Commission during the years since 1972 and reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings.

The following are gas tracking increases approved by the Commission for the calendar years 1979 and 1980:

GAS TRACKING INCREASES APPROVED — GENERAL
Calendar Years 1979 & 1980

Company	Docket No.	No. of Filings	Estimated Amount Approved	Increase Per Dekatherm
	1979			
N.C. Gas Service	G-3, Subs 90, 93	3	$ 716,200	36.81¢
N.C. Natural Gas	G-21, Subs 197, 199, 202, 205	5	9,237,142	41.25¢
Piedmont Natural	G-9, Subs 186, 188, 193	3	16,515,415	44.61¢
Public Service	G-5, Subs 146, 147, 151, 152	5	10,890,104	36.73¢
United Cities	G-1, Subs 72, 74	2	195,318	43.50¢
			$ 37,554,179	
	1980			
N.C. Gas Service	G-3, Subs 82, 83, 93, 96, 99, 101	4	$ 2,687,686	90.33¢
N.C. Natural Gas	G-21, Subs 164, 180, 204, 208, 212, 215	6	30,612,167	104.78¢
Piedmont Natural	G-9, Subs 194, 198, 203, 206	4	45,244,292	96.54¢
Public Service	G-5, Subs 155, 160, 161	3	48,389,498	115.15¢
United Cities	G-1, Subs 77, 81, 83	3	883,417	109.60¢
			$127,817,060	

FIGURE NO. 29

SUMMARY OF NATURAL GAS SALES OF MCF's (1965-1975) AND DEKATHERMS (1978-1980) REVENUES AND CUSTOMERS BY CLASSIFICATION WITH PERCENT OF TOTALS SHOWN FOR INDUSTRIAL CUSTOMERS (N.C Data Only)

Calendar Years 1965, 1970, 1975, 1978-1980

Sales—MCFs DTs. (000's)	**1965**	**% of Total**	**1970**	**% of Total**	**1975**	**% of Total**	**1978**	**% of Total**	**1979**	**% of Total**	**1980**	**% of Total**
Residential	13,487	19.1	23,687	17.8	24,458	24.8	29,240	37.0	27,275	23.1	28,563	20.7
Commercial	6,539	9.3	14,889	11.2	15,867	16.1	17,450	22.0	19,275	16.3	20,946	15.1
Other	6,769	9.6	6,344	4.8	6,768	6.9	5,520	7.0	6,542	5.5	7,320	5.3
Total	26,795	38.0	44,920	33.8	47,093	47.8	52,210	66.0	53,092	44.9	56,829	41.1
Industrial—Firm	8,270	11.7	22,538	16.9	15,166	15.4	23,451	29.7	45,102	38.2	59,078	42.7
Industrial—Interruptible	35,474	50.3	65,586	49.3	36,290	36.8	3,410	4.3	19,988	16.9	22,513	16.2
Total Industrial	43,744	62.0	88,124	66.2	51,456	52.2	26,861	34.0	65,090	55.1	81,591	58.9
Total Sales	70,539	100.0	133,044	100.0	98,549	100.0	79,071	100.0	118,182	100.0	138,420	100.0
Revenues: (000's)												
Residential	$17,664	33.9	$31,217	31.7	$ 49,823	31.3	$ 91,179	40.7	$ 95,643	27.9	$116,671	24.0
Commercial	9,194	17.6	16,295	16.6	28,308	17.8	51,067	22.8	59,531	17.3	77,797	15.9
Other	3,239	6.2	6,126	6.2	9,400	5.9	12,732	5.7	17,050	5.0	24,096	4.9
Total	30,097	57.7	53,638	54.5	87,531	55.0	154,978	69.2	172,224	50.2	218,564	44.8
Industrial—Firm	5,937	11.4	13,828	14.1	37,711	23.7	58,071	26.0	118,575	34.5	235,115	48.2
Industrial—Interruptible	16,078	30.9	30,892	31.4	33,890	21.3	10,793	4.8	52,561	15.3	34,342	7.0
Total Industrial	22,015	42.3	44,720	45.5	71,601	45.0	68,864	30.8	171,136	49.8	268,457	55.2
Total Revenues	$52,112	100.0	$98,358	100.0	$159,132	100.0	$223,842	100.0	$343,360	100.0	488,021	100.00
Customers: (Annual Average)												
Residential	145,080	78.3	208,712	79.6	255,339	81.2	276,273	84.2	280,289	84.2	294,343	84.3
Commercial	20,613	11.1	30,572	11.7	35,141	11.2	35,559	10.8	36,162	10.9	37,904	10.8
Other	17,834	9.6	20,213	7.7	22,221	7.0	14,444	4.4	14,794	4.4	15,140	4.3
Total	183,527	99.0	259,497	99.0	312,701	99.4	326,276	99.4	331,245	99.5	347,387	99.4
Industrial-Firm	1,264	.7	1,352	.5	1,031	.3	1,543	.5	1,561	.4	1,617	.5
Industrial-Interruptible	596	.3	1,437	.5	831	.3	276	.1	248	.1	294	.1
Total Industrial	1,860	1.0	2,789	1.0	1,862	.6	1,819	.6	1,809	.5	1,911	.6
Total Customers	185,387	100.0	262,286	100.0	314,563	100.0	328,095	100.0	333,054	100.0	349,298	100.0

Dekatherm = 1,030 MCFs

GAS TRACKING INCREASES APPROVED — SPECIAL
(C. F. Industries, Inc. — Only Customer Affected)
Calendar Years 1979 & 1980

	1979			
N.C. Natural Gas	G-21, Subs 198, 200, 203	4	$ 2,146,805	41.85¢
	1980			
N.C. Natural Gas	G-21, Subs 165, 181, 209, 213, 216	4	$ 7,359,632	99.54¢

These gas tracking increases approved are both increases or decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas are accounted for, and at an appropriate time, applications to recover or refund the net effect are made with the Commission, with the exception of N.C. Natural Gas Company's rate schedule 7 (C. F. Industries, Inc.) which by contract is adjusted for changes in the cost of wholesale gas each time Transco submits a rate change.

During 1978, all five (5) gas companies changed their methods of purchasing and selling gas from a Thousand Cubic Feet (MCF) basis to a Dekatherm (DT) basis. One DT equals approximately 1.030 MCF. One DT equals 10 therms.

The tracking proceedings under which these passons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staffs' Engineering and Accounting divisions, and because of the frequency of their filing during the 1973-1980 period, each year consumed the equivalent of seven man-months staff time from these divisions.

Curtailment Tracking Adjustment Activity. During 1976, the Commission granted approval for all the gas utilities to file curtailment tracking adjustments in order to adjust rates and charges resulting from increases or decreases in supply volumes. Curtailment Tracking Adjustments (CTA) rate changes are designed to maintain a consistent "margin" or difference between revenues and cost of gas plus gross receipts tax due to changes in the amount of gas available for sale. The changes in available gas are measured from a base period which is determined by the Commission at the company's request or at the time of a general rate case. As the estimated volume of available gas changes from the volume determined in the base period, the price of gas is either adjusted upward to recover lost revenues from the lower volumes of gas sales or adjusted downward to return revenues from higher volumes of gas sales. Decreases in the amount of available gas results in an increased CTA rate and increases result in a decreased CTA rate. Changes in the available gas from the base year volumes due to emergency gas purchases, exploration, and development gas entering the pipeline, and revised allocations from Transco will inversely change the CTA base year volumes and the CTA rate will be adjusted accordingly.

The following curtailment tracking adjustments were filed in 1979 and 1980:

CURTAILMENT TRACKING INCREASES/DECREASES APPROVED
Calendar Years 1979 & 1980

Company	Docket No.	No. of Filings	Estimated Revenue Approved
	1979		
N.C. Gas Service	G-3, Subs 58F, 76A	1	$(1,023,138)
N.C. Natural	G-21, Subs 177A, 177B	1	(5,630,480)
Piedmont Natural	G-9, Sub 192 (Eliminated CTA in general rate case)		
Public Service	G-5, Sub 136A	1	(7,637,611)
United Cities	G-1, Subs 47F, 47G	1	(391,902)
			$(14,683,131)
	1980		
N.C. Gas Service	G-3, Sub 95 (Eliminated CTA in general rate case)		
N.C. Natural	G-21, Sub 177C	2	$(7,605,986)
Piedmont Natural	G-9, Sub 192 (Eliminated CTA in general rate case)		
Public Service	G-5, Sub 136A	1	(6,079,838)
	G-5, Sub 157 (Eliminated CTA in general rate case)		
United Cities	G-1, Sub 75 (Eliminated CTA in general rate case)		
			$(13,685,824)

Emergency Purchases. Section 2.68 of the Natural Gas Act provides for the purchase of "Emergency Gas" by North Carolina distributors from sources other than Transco. This gas is not subject to regulation by the Federal Energy Regulatory Commission (FERC), the successor to the Federal Power Commission (FPC), but the excess cost of this gas over Transco's pipeline or CD-2 gas can be recovered from the users only through prior approval by the North Carolina Utilities Commission.

Following are the authorized increases in rates per Dekatherm resulting from the higher cost of emergency gas purchases for the calendar year 1979. The 1978-1979 supplies of gas available to North Carolina customers had increased to the extent that no purchases of emergency gas were necessary to serve priority 1 and 2 customers during the 1979-1980 winter season. Emergency gas purchases are those natural gas purchases under the emergency purchase provisions of Section 157, Subpart C, of the Rules and Regulations of the Federal Energy Regulatory Commission. The North Carolina Utilities Commission determined that the proceeds from the sale of this gas would be first used to pay any gas receipts taxes or other applicable taxes relating to the purchase and/or sale of such gas; secondly, the proceeds would be next used to pay the cost of such gas, including interest incurred by the distribution company from the date of payment for such gas to the date of collection of the sales price for such gas from the companies' customers; thirdly, all or a certain percent of the remainder will be used to adjust the CTA rate downward for the benefit of the ratepayers and the rest will be used for the benefit of the stockholders.

EMERGENCY GAS PURCHASE (DEKATHERMS)
Calendar Year 1979

Company	Docket Number	Dekatherms Purchased	Margin Benefit to Ratepayers	Margin Benefit to Stockholders	Purchase Price	Sales Price
N.C. Natural	G-21, Sub 204	480,000	$ 64,905	$ 64,905	$2.230	$2.720
Piedmont	G-9, Sub 189	3,000,000	1,072,045	1,072,045	$1.566	$2.726
Public Service	G-5, Sub 150	1,000,000	231,020	231,020	$2.185	$2.816
		220,000	101,649	—0—	$2.185	$2.810
		880,000	420,189	—0—	$2.385	$3.045

Exploration and Development Trackings (E&D). On June 26, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22), which provided for customer participation in approved exploration and development programs on a 75% customer investment and 25% distribution investment basis. Approximately every six (6) months the distributors determine a dekatherm (DT)* rate to be billed to their customers to recover their share of the allowable E&D costs. Successful discoveries are either sold and proceeds used to reduce exploration costs or, when practical, the new gas is put into Transco's supply of gas to North Carolina distributors to reduce curtailment tracking gas rates.

The 75% customer or ratepayers contributions since the inception of the program in June 1975 is summarized below:

EXPLORATION AND DEVELOPMENT TRACKING
Expenditures and Their Recoveries Through Tracking Increases
From the Beginning of the Program in June 1975 Through December 31, 1980

		Adjustments — Add or (Deduct)					
Company	N.C. Ratepayers Gross Costs (75% of Total)[1]	From Previous Filings	Value of Recoveries	Tax Savings	Net Costs To Be Recovered	Actual Receipts	Balance over (under)
N.C. Gas Service	$ 565,910	$ (61,316)	$ (72,529)	$ 165,216	$ 597,281	$ 634,705[2]	$ 37,424
N.C. Natural	15,772,931	(1,326,606)	(3,071,938)	2,033,009	13,407,396	13,651,404[3]	244,008
Piedmont Natural	13,713,621	(944,741)	(1,471,194)	(216,881)	11,080,605	11,559,338[3]	478,533
Public Service	17,848,015	(384,477)	(3,090,655)	580,430	14,953,313	13,190,350[3]	(1,762,963)
United Cities	747,850	(191,235)	(90,566)	61,015	527,064	650,271[2]	123,207
	$48,648,327	$(2,908,375)	$(7,796,882)	$2,622,789	$40,565,859	$39,686,068	$ (879,791)

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[1] Expenses through 9-30-80 includes interest.

[2] Collections through 9-30-80.

[3] Collections through 12-31-80.

G. NATURAL GAS PIPELINE SAFETY

On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transportation to administer this law, develop standards, and regulated enforcement of such standards for the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Section 5A of this Act authorized each state to regulate these minimum standards through certification to the Secretary of Transportation providing certain provisions were met by each state.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature, an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The Gas Pipeline Safety Section of the North Carolina Utilities Commission has been given the responsibility of developing and implementing this program. Section 62-50 of the North Carolina General Statutes is far reaching and affects directly or indirectly all persons who distribute or use natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This Code is a mandatory requirement under State law and noncompliance by any persons engaged in the transportation of gas or who owns or operates pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code including the restraint of transportation of gas for the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of two basic sections; Part 191 (Report of Leaks), and Part 192 (Minimum Federal Safety Standards). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all Minimum Federal Safety Standards under Part 192, but if deemed necessary, may implement more stringent safety standards than the Minimum Federal Safety Standards.

There are five (5) major gas utilities in North Carolina, along with eight (8) municipal gas systems. In addition, the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operators. This added 168 additional distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. Connecting and within these systems are 1,550 miles of transmission mains and 10,050 miles of distribution mains.

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*Dekatherm = 1.030 MCF's.

Under the July 1, 1977, reorganization of the North Carolina Utilities Commission, the Gas Pipeline Safety Program became a part of the Commission Staff activities and was assigned for administrative purposes to the Transportation Division.

During 1979, the Gas Pipeline Safety section of the Commission Staff spent 245 days inspecting the pipeline facilities in North Carolina with 31 major violations detected. By the end of the year, 22 of the violations had been corrected. There were five (5) accidents investigated during the year, with a loss of property exceeding $68,000. The cost of conducting the pipeline safety program for 1979 was $126,509, of which $63,254, or 50% was reimbursed to the North Carolina Utilities Commission by the United States Department of Transportation.

During 1980, the Staff spent 190 days inspecting 77 systems, and 71 violations were detected. The Staff conducted six (6) seminars throughout the State for the Master Meter Operators. There were four (4) major accidents investigated during the year, with property damage exceeding $181,000, and four (4) people injured. The cost of conducting the program for 1980 was $157,071, of which $78,535 was reimbursed the North Carolina Utilities Commission by the United States Department of Transportation.

H. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Both the source and disposition of the 1979 and 1980 gas revenue dollar are shown by the two (2) pie charts on Figure No. 30.

Shown below is a comparison chart reflecting both source and disposition of gas revenue dollar for the years 1975-1980.

SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR (N.C. Data Only) For the Years 1975-1980

	1975	1976	1977	1978	1979	1980
Source:						
Residential	31%	35%	38%	40%	28%	24%
Commercial	18	21	24	22	17	16
Industrial	24	29	24	26	35	48
Interruptible	21	8	6	5	15	7
Other	6	7	8	7	5	5
Total	100%	100%	100%	100%	100%	100%

Note: The revenue dollar includes other net income and deductions, including interest charged construction.

	1975	1976	1977	1978	1979	1980
Disposition:						
Cost of Purchased Gas	51%	55%	59%	59%	68%	75%
Other Operating Expenses	14	14	14	14	10	8
Depreciation & Amortization	5	5	4	4	3	2
Income Taxes	8	7	5	5	4	3
General Taxes	8	8	8	8	7	7
Interest & Other Deductions	6	5	5	5	3	2
Dividends	4	4	4	4	3	2
Retained Earnings	4	2	1	1	2	1
Total	100%	100%	100%	100%	100%	100%

I. STATISTICAL SUMMARY DATA

Gross operating revenues increased in 1980 over 1979 by 42.2%, reaching a total of over $489 million. Operating expenses also increased in 1980 over 1979 by 45.0%; however, net operating revenue as a percent of operating revenues decreased from 7.1% in 1979 to 4.7% in 1980.

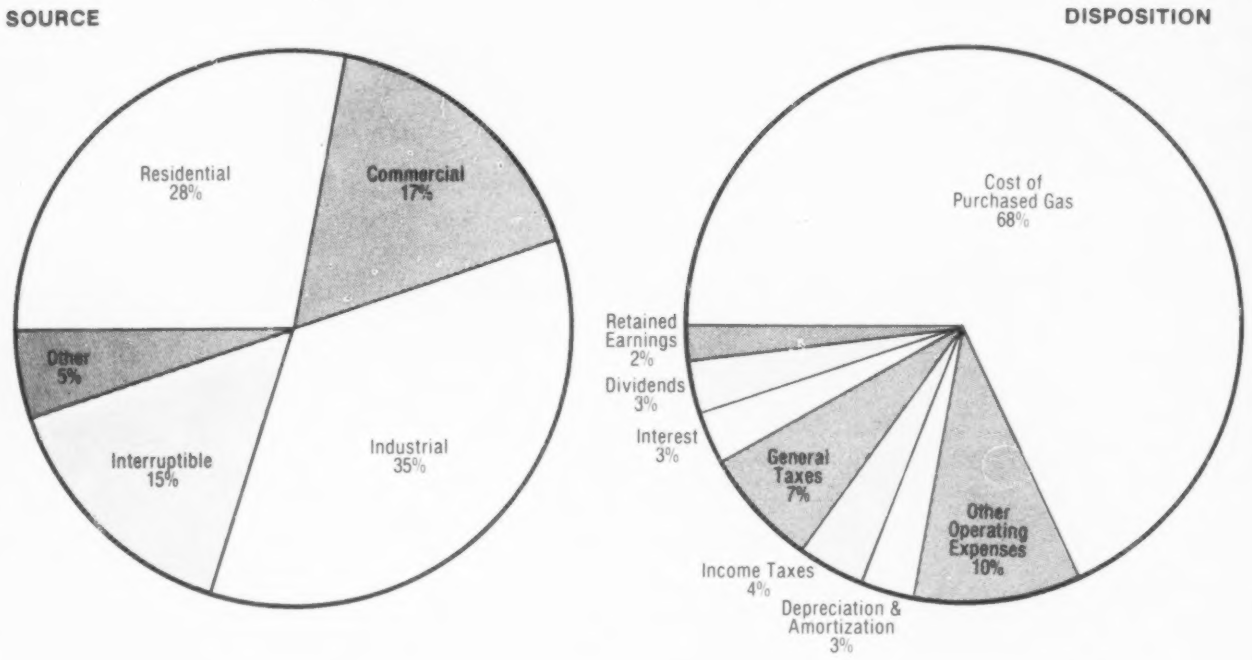
Interest on long-term debt decreased 2.8% for 1980. Net income showed an increase of 16.0% over 1979, equivalent to $2,296,000; however, the profit margin or net income as a percent of gross operating revenues decreased from 4.2% in 1979 to 3.4% in 1980. Earnings per common share outstanding decreased in 1980 over 1979 from $2.38 to $2.37 (.4%), while the number of common shares outstanding increased by 12.2% for the same period.

Average number of full-time employees increased in 1980 over 1979 by 176, or 9.3%, while total wages paid these 2,067 employees increased by 23.6% to $33,085,000. See Figure No. 31 for additional financial and operating statistical data.

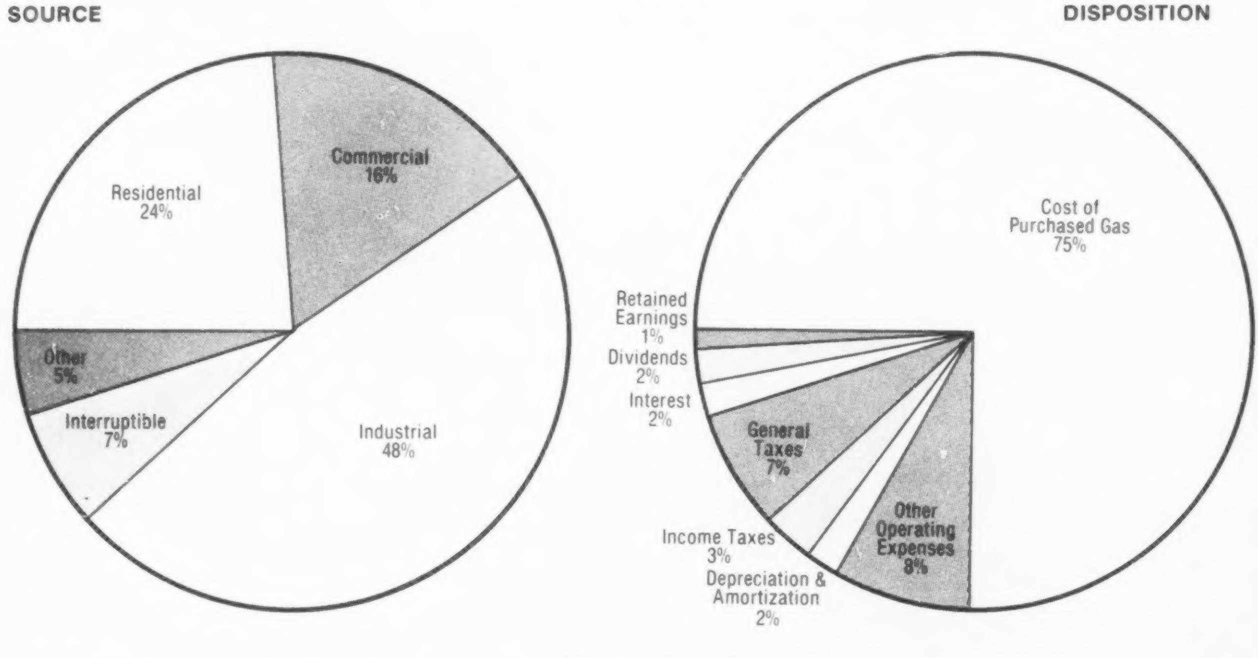
FIGURE NO. 30

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY

December 31, 1979



December 31, 1980



*Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investments.

FIGURE NO. 31

GAS COMPANIES—CLASSES A & B
SUMMARY OF SELECTED INCOME AND EXPENSES, BALANCE SHEET AND CUSTOMER STATISTICS FOR THE CALENDAR YEARS 1960, 1965, 1970, 1975, 1979-1980

(N.C. Data Except As Noted) (Dollars in 000's)

Item	1960	1965	1970	1975	1979	1980	% Change More (Less) 1980 over 1979
Number of Companies Regulated		7	5	5	5	5	
Number Included in this Data		7	5	5	5	5	
Income Items:							
Sales—Residential				$ 49,823	$ 95,643	$116,671	22.0%
—Commercial				28,308	59,531	77,797	30.7
—Industrial—Firm				37,712	118,575	235,115	98.3
—Industrial—Interruptible				33,890	52,561	34,342	(34.7)
—Other				9,399	17,050	24,096	41.3
Total Sales of Gas	$ 31,230	$ 52,112	$ 98,358	$159,132	$343,360	$488,021	42.1
Other Operating Revenue	214	325	159	(372)	529	997	88.5
Total Gas Operating Revenue	$ 31,444	$ 52,437	$ 98,517	$158,760	$343,889	$489,018	42.2
Expense Items:							
Natural Gas Purchased	$ 16,286	$ 25,926	$ 51,628	$ 81,995	$237,095	$367,455	55.0
Production Expense				264	525	395	(24.8)
Regulatory Commission Expense				71	17	48	182.4
Sales Promotion				1,258	1,901	2,396	26.0
Maintenance and Repair	708	960	1,909	3,629	4,851	6,112	26.0
Depreciation and Amortization	1,949	3,463	5,153	7,660	9,709	10,597	9.1
Other Expense	4,533	6,730	11,688	16,623	26,368	28,360	7.6
Total Operating Expenses Before Taxes	$ 23,476	$ 37,079	$ 70,378	$111,500	$280,466	$415,363	48.1
State Taxes:							
Income Taxes	$ 235	$ 337	$ 655	$ 1,286	$ 1,420	$ 1,353	(4.7)
Gross Receipts Taxes				9,602	20,427	29,022	42.1
Property Taxes	2,334	4,490	8,289	2,750	2,984	3,128	4.8
Other Operating Taxes				66	194	197	1.5
Total State Taxes	$ 2,569	$ 4,827	$ 8,944	$ 13,704	$ 25,025	$ 33,700	34.7
Federal Taxes:							
Income Taxes	$ 2,002	$ 2,539	$ 4,512	$ 9,053	$ 8,334	$ 6,345	(23.9)
Prov. for Deferred Income Taxes				2,354	2,952	3,435	16.4
Income Taxes Deferred in Prior Years				(13)	(13)	(9)	(30.8)
Investment Tax Credits				208	1,172	2,637	125.0
Payroll O.A.B. & Unemployment				866	1,229	1,461	18.9
Other Federal Taxes	148	200	1,118				
Total Federal Taxes	$ 2,150	$ 2,739	$ 5,630	$ 12,468	$ 13,674	$ 13,869	1.4
Total State & Federal Taxes	$ 4,719	$ 7,566	$ 14,574	$ 26,172	$ 38,699	$ 47,569	22.9
Total Operating Expenses	$ 28,195	$ 44,645	$ 84,952	$137,672	$319,165	$462,932	45.0
Net Operating Revenue	$ 3,249	$ 7,792	$ 13,565	$ 21,088	$ 24,724	$ 26,086	5.5
Other Income and Expenses:							
Other Income	$ 179	$ 234	$ 1,003	$ 438	$ 1,901	$ 3,013	58.5
Allow. for Funds Used During Construction				484	201	99	(50.7)
Deductions from Income				53	1,000	256	(74.4)
Total Other Income and Expenses	$ 179	$ 234	$ 1,003	$ 869	$ 1,102	$ 2,856	159.2
Fixed Charges:							
Interest on Funded Debt	$ 2,611	$ 3,879	$ 6,428	$ 7,790	$ 9,621	$ 9,348	(2.8)
Other Fixed Charges	301	153	1,359	948	1,822	2,915	60.0
Total Fixed Charges	$ 2,912	$ 4,032	$ 7,787	$ 8,738	$ 11,443	$ 12,263	7.2
Net Income	$ 516	$ 3,994	$ 6,781	$ 13,219	$ 14,383	$ 16,679	16.0
Balance Sheet Items (N.C. only):							
Utility Plant in Service	$ 84,127	$138,298	$220,298	$280,163	$345,110	$379,473	10.0
Depreciation Reserve	8,134	22,093	41,397	70,874	103,894	115,234	10.9
Net Plant in Service	$ 75,993	$116,205	$178,901	$209,289	$241,216	264,239	9.5
Leased to Others				23	23	23	-0-
Held for Future Use				736	444	250	(43.7)
Construction Work in Progress				10,452	3,008	6,036	100.7
Acquisition Adjustment				(112)	(26)	(20)	(23.1)
Total Net Plant (Original Cost)	$ 75,993	$116,205	$178,901	$220,388	$244,665	$270,528	10.6
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 64,432	$ 94,565	$143,161	$146,661	$155,630	$148,905	(4.3)
Earned Surplus	$ 4,930	9,442	24,224	$ 48,294	$ 63,368	$ 72,006	13.6
Total Capitalization	$ 94,246	$143,994	$223,838	$258,189	$288,778	$299,888	3.8
Long-Term Debt % of Total Capitalization	68.4%	65.7%	64.0%	56.8%	53.9%	49.7%	(7.8)
Average No. of Common Shares Outstanding	4,197,010	5,442,710	6,155,856	7,115,386	7,512,824	8,431,671	12.2
Earnings Per Average Common Share Outstanding (after Preferred Dividends)	$ .04	$ .75	$ 1.24	$ 1.99	$ 2.38	$ 2.37	(.4)
Customer & Miscellaneous Data (N.C. Data):							
Average Annual Use—Residential Customers (DT)	81	93	116	95	97	97	-0-
Total Residential Customers (Average Annual Count)	88,509	145,080	208,712	255,339	280,289	294,343	5.0
Grand Total—All Types Customers	112,409	185,387	262,286	314,563	333,054	349,298	4.9
Average No. Full-Time Employees	1,113	1,410	1,851	1,764	1,891	2,067	9.3
Total Salaries & Wages Paid Employees ($-000's)	$ 5,209	$ 7,751	$ 13,539	$ 17,216	$ 26,774	$33,085	23.6
Average Annual Compensation per Employee (Actual)	$ 4,680	$ 5,497	$ 7,315	$ 9,760	$ 14,159	$16,006	13.0

VI. The Communications Industry

Telephone, Western Union, Radio Common Carrier

THE COMMUNICATIONS INDUSTRY*

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY

General

At December 31, 1980, there were seventeen (17) Class A & B and four (4) Class C & D telephone companies under the jurisdiction of the North Carolina Utilities Commission. Six (6) of the telephone companies under North Carolina jurisdiction also have operations in other states. (See Figure No. 32.)

Following is a list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which are under Commission regulation:

Parent Holding Company	Operating Telephone Company
American Tel. & Tel. Co.	Southern Bell Tel. & Tel. Co.
Continental Tel. Co.	Continental Tel. Co. of Virginia (Serves Knotts Island, N.C.) Westco Telephone Co. Western Carolina Tel. Co.
General Tel. & Electronics	Gen. Tel. Co. of the Southeast
Mid-Continent Tel. Co.	Mid-Carolina Tel. Co. Sandhill Telephone Co.
T.D.S., Incorporated (Telephone & Data Systems, Inc.)	Barnardsville Tel. Co. Service Telephone Co.
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.

The operating telephone companies which are wholly owned or controlled through a holding company generally purchase most of their supplies, equipment, and technical services through the parent company. These transactions between parent and subsidiary require Commission surveillance to guard against unfair practice, since the regular arm's-length relationship does not exist between the parties.

Western Union Telegraph Company's rates on intrastate service are regulated by the Commission, but the Federal Communications Commission (FCC), rather than the Utilities Commission, has jurisdiction over the extension and abandonment of telephone offices and services. The Utilities Commission receives notices of all proceedings initiated by Western Union and is a proper party to these proceedings.

The telephone companies render both exchange service and toll service pursuant to tariffs containing rates and charges on file with, and approved by, the Utilities Commission.

Recent Trends

A series of events occurring in the past, including the Hush-a-phone case in the 1950's, the Carterfone decision in the late 1960's, and the origination of the telephone registration program in November 1975 ordered by the Federal Communications Commission (FCC) in its Docket 19528, has produced a new state telephone regulatory environment. During 1977 and 1978, several companies within the State began selling telephone terminal equipment directly to customers.

The order in the FCC Docket 19528 required standard modular connectors to be installed for use with all single line telephone station sets. Approval of connecting a telephone station set to the nationwide telecommunication network under the registration program stimulated entry into terminal telephone equipment sales by outside competition. The telephone companies, on the other hand, initially opened stores (phone centers, phone marts, phone shops, etc.) to present and market their telephone wares to be rented rather than to be sold.

Sales of terminal equipment such as key telephone systems, private branch exchanges, etc., by telephone company competitors flourished during this period of regulatory climatical change resulting in the regulated telephone companies altering their policy of nonsales. Today both regulated telephone companies and their competitors provide equipment to the public which supplants past regulated services and which are now connected to the national switched telecommunications network.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had 4,139,723 telephones in service in North Carolina at December 31, 1980. The total number of telephones in service increased by 193,127 in 1979 for a gain of 5.1%, and by 123,426 in 1980 for a gain of 3.1%. Figure No. 32 shows increases in telephones by companies and Figure No. 33 shows the types of telephones in service for the years 1960, 1965, 1970, 1975, 1979-80. The 1980 North Carolina rate of increase was 18.7% greater than the national growth. In 1979, the North Carolina growth rate exceeded the national rate by 20.3%. For two decades, new telephones have been installed in North Carolina at a rate greater than the national rate. Of total telephones provided by regulated utilities in the State, Southern Bell Telephone and Telegraph Company serves 54.3% and Carolina Telephone and Telegraph Company serves 23.7%.

The installation of additional main station telephones requires additional investment. For example, in installing an additional instrument, provisions must be made for central office equipment, circuits, and lines adequate to the traffic potential of the installation. The telephone companies attempt to maintain a plant margin of reserve for growth and

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*Note: In past documents and publications, this important facet of industry under the jurisdiction of the Utilities Commission was referred to as the Telephone Industry, with minor mention being made of the Western Union portion. In the future, this division will be referred to as the Communications Section, and will include Telephones, Western Union, and Radio Common Carriers.

FIGURE NO. 32

THE TELEPHONE INDUSTRY
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975, 1978-1980

	No. of Total Telephones in Service								No. of Exchanges						Telephone Density Data							
								% Increase (Decrease)							No. Phones Per 100 Population		No. Phones Per Square Mile Area		% Households In Area Served Having Phones		Average No. Employees Per Company	
Class A & B	1960	1965	1970	1975	1978	1979	1980	1980/1979	1965	1970	1975	1978	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Carolina Tel. & Tel. Co[1][8]	244,716	348,295	527,190	779,464	909,423	950,223	982,532	3.4	137	143	146	146	146	146	55	56	50	50	88	88	5,125	5,511
Central Telephone Co.[2]	74,072	101,508	142,461	191,600	230,310	237,202	241,597	1.9	39	35	43	43	43	43	54	54	76	77	91	89	1,145	1,132
Citizens Telephone Co.	3,462	5,919	8,704	12,133	14,640	15,353	15,968	4.0	3	3	4	4	4	4	70	71	41	42	93	94	67	72
Concord Telephone Co.	34,992	44,308	56,365	72,353	84,127	89,298	93,740	5.0	9	9	9	9	9	9	66	67	127	133	95	96	328	334
Ellerbe Telephone Co.	574	743	1,084	1,535	1,914	2,008	2,003	(.2)	1	1	1	1	1	1	56	48	8	8	80	85	9	8
General Tel. Co. of the Southeast[3]	43,943	65,363	97,469	124,839	144,074	153,972	162,054	5.2	5	5	5	5	5	5	76	66	193	203	91	91	1,675	1,720
Heins Telephone Co.	8,284	11,267	15,825	22,130	26,662	28,719	30,087	4.8	3	3	3	3	3	3	65	66	61	64	98	95	157	165
Lexington Telephone Co.	9,049	12,006	17,082	22,248	25,815	27,576	28,825	4.5	3	3	3	3	3	3	56	59	133	139	90	90	176	173
Mebane Home Telephone Co.	1,903	2,571	3,665	5,502	6,080	6,504	6,877	5.7	1	1	1	1	1	1	42	40	43	46	75	75	24	22
Mid-Carolina Telephone Co.[4]	21,830	33,016	51,810	77,742	97,616	104,619	108,747	3.9	24	26	26	26	26	26	37	36	47	49	88	89	304	311
North State Telephone Co.	37,221	48,237	64,662	86,473	103,253	109,160	113,470	3.9	3	3	3	3	3	3	52	52	186	193	87	87	479	476
Pineville Telephone Co.[5]	—	—	—	—	1,938	2,029	2,177	7.3	—	—	—	1	1	1	68	109	2,029	2,177	98	98	15	14
Randolph Telephone Co.	1,026	1,398	2,104	2,847	3,398	3,628	3,773	4.0	1	1	1	1	1	1	50	53	43	46	87	89	14	15
Sandhill Telephone Co.	1,341	1,743	2,526	3,524	4,666	4,901	5,225	6.6	2	2	2	2	2	2	73	73	94	100	95	95	11	12
Southern Bell Tel. & Tel. Co.[6]	670,413	886,620	1,253,681	1,763,783	2,085,128	2,191,177	2,246,942	2.5	92	93	94	95	95	95	81	83	181	186	87	87	10,926	11,254
Westco Telephone Co.	—	8,709	16,881	24,645	29,618	31,834	34,019	6.9	13	15	15	15	15	15	39	36	15	16	76	76	—	—
Western Carolina Tel. Co.[7]	16,216	15,489	27,496	42,181	51,088	54,346	57,578	5.9	13	12	12	11	11	11	45	35	30	32	80	80	385	449
Totals: Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	3,819,750	4,012,549	4,135,614	3.1	349	355	368	369	369	369	66 W/A	67 W/A	90 W/A	93 W/A	88 S/A	88 S/A		
Class C & D																						
Barnardsville Telephone Co.	186	293	354	613	724	795	876	10.2	1	1	1	1	1	1	47	44	6	7	85	85	3	3
Continental Tel. Co. of Virginia	42	48	184	339	408	461	452	(2.0)	1	1	1	1	1	1	35	35	31	30	60	60	N/A	N/A
Saluda Mountain Tel. Co.	290	373	520	833	1,110	1,225	1,320	7.8	1	1	1	1	1	1	66	68	18	19	83	85	4	3
Service Telephone Co.	367	468	600	915	1,178	1,267	1,461	15.3	1	1	1	1	1	1	51	58	36	42	80	80	6	4
Totals: Class C & D	885	1,182	1,658	2,700	3,420	3,748	4,109	9.6	4	4	4	4	4	4	51 W/A	53 W/A	15 W/A	17 W/A	77 S/A	78 S/A		
Grand Totals	1,169,927	1,588,374	2,290,663	3,235,799	3,823,170	4,016,297	4,139,723	3.1	353	359	372	373	373	373	66 W/A	67 W/A	89 W/A	93 W/A	86 S/A	86 S/A		
United States Totals[9]	72,813,000	93,659,000	120,783,300	148,623,000	169,027,000	175,162,000	180,180,000	2.9														
Includes Special Service & Private Lines as follows:	22,903	27,216	28,752	41,155	36,766	35,946	36,753	2.2														

---

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina.

[2] Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5] Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior are included in Southern Bell.

[6] Pineville Telephone Company came under Commission jurisdiction January 1, 1976. (Docket No. P-120, Sub 1)

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Norfolk & Carolina Tel & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

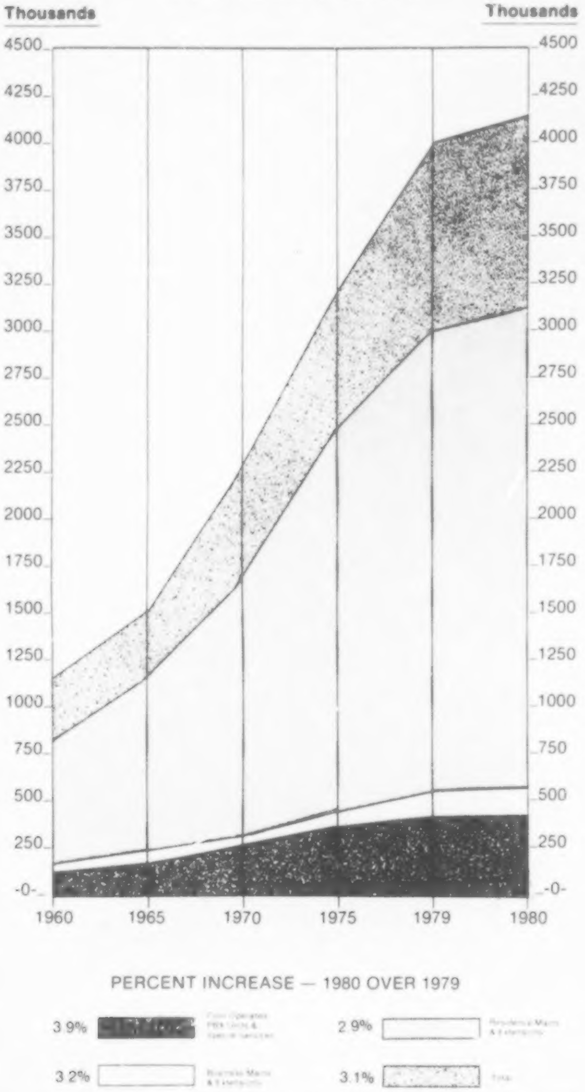
[9] Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

N/A — Not Available
W/A — Weighted Average
S/A — Simple Average

FIGURE NO. 33

TELEPHONES IN SERVICE AS OF DECEMBER 31, FOR YEARS SHOWN

(N. C. Data Only — 21 Companies)



maintenance for at least six (6) to eighteen (18) months for central office equipment. For other types of plants the companies strive for a margin of reserve of greater duration depending on the type of construction and the economics involved in such construction. The telephone companies generally attempt to engineer for a three-year growth in outside cable plant facilities and for a one-to-two-year growth factor in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances, increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per station. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differential, where a subscriber who had been receiving four-party service asks for and receives a one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However, as more and more telephone service is extended throughout the State, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. Extended area coverage was approved for three (3) telephone companies in 1978, seven (7) were approved in 1979, and one (1) was approved in 1980.

E. TELEPHONE RATES — COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a companywide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may telephone without toll charge. These rate groupings are not standard among the companies. Figure No. 34 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus, unlike electric and natural gas utilities which have standard rates applicable to a customer classification companywide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 35 shows local service telephone monthly rates for selected exchanges in North Carolina and selected out-of-state exchanges. The out-of-state companies shown were selected mainly because of exchange sizes and population comparable to North Carolina. The use of this data for comparative purposes is limited and must be used with discretion. It does il-

FIGURE NO. 34

TELEPHONE RATES
MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE AS OF JUNE 30, 1981

CALLING SCOPE¹ AND RELATED MONTHLY FLAT RATES

	1-500		500-1,000		1,001-2,000		2,001-4,000		4,001-8,000		8,001-16,000		16,001-32,000		32,001-50,000		50,001-100,000		100,000-up	
Class A & B	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**	**Bus.**	**Res.**
Carolina Tel. & Tel. Co.			12.70	5.10	13.80	5.50	14.90	5.95	15.95	6.40	17.05	6.85	18.15	7.25	19.25	7.70	20.35	8.15	20.90	8.35
Central Telephone Co.									24.30	9.60	25.80	10.20	26.30	10.40	26.80	10.60	27.00	11.00		
Citizens Telephone Co.									20.85	8.00										
Concord Telephone Co.											19.20	7.50	21.00	8.20					25.30	9.35
Ellerbe Telephone Co.					21.00	11.00														
General Tel. Co. of the S.E.											22.55	9.15			25.05	10.00			30.75	
Heins Telephone Co.											16.25	7.10								
Lexington Telephone Co.											15.90	6.35								
Mebane Home Telephone Co.															23.00	9.15				
Mid-Carolina Telephone Co.					19.50	7.80	20.00	8.00	20.50	8.20	21.00	8.40	21.50	8.60						
North State Telephone Co.											6.65	3.30			9.50	4.50				
Pineville Telephone Co.																			9.80	4.75
Randolph Telephone Co.																			15.50	6.60
Sandhill Telephone Co.									8.50	4.50	12.75	6.25								
Southern Bell Tel. & Tel. Co.							19.95	7.60	20.45	7.80	20.95	8.00	21.95	8.20	21.95	8.40	23.70	9.05	25.10	9.50
Westco Telephone Co.							26.15	10.45	27.15	10.85	28.15	11.25	29.15	11.65	30.15	12.05				
Western Carolina Tel. Co.							29.05	11.60	30.05	12.00	31.05	12.40	32.05	12.80	33.05	13.20				
Class C & D	15.75	9.55																		
Barnardsville Telephone Co.																			24.25	14.00
Continental Tel. Co. of Virginia													9.00	6.10						
Saluda Mountain Tel. Co.							13.35	6.75												
Service Telephone Co.																				

¹"Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.

FIGURE NO. 35

LOCAL SERVICE TELEPHONE MONTHLY RATES SELECTED EXCHANGES SERVING CITIES OF 50,000 POPULATION OR MORE (1980 CENSUS) IN EFFECT JUNE 30, 1980

COMPANY	EXCHANGE AND/OR CITY	STATE	MONTHLY FLAT RATES 1-PARTY SERVICE	
			Business	Residence
Central Telephone Co.	Las Vegas	Nevada	$17.80	7.15
Chesapeake & Potomac Tel. Co. of U.S.	Lynchburg	Virginia	19.25	8.05
Diamond State Tel. Co.	Wilmington	Delaware	19.42	7.95
General Tel. Co. of California	San Bernardino	California	13.20	5.70
General Tel. Co. of Indiana, Inc.	Terre Haute	Indiana	28.70	11.00
General Tel. Co. of Kentucky	Lexington	Kentucky	37.44	13.68
General Tel. Co. of the Southeast	Durham	N.C.	25.05	10.00
Lincoln Tel. & Tel. Co.	Lincoln	Nebraska	26.75	8.90
Loraine Telephone Co., The	Loraine	Ohio	24.35	11.15
Michigan Bell Telephone Co.	Jackson	Michigan	13.52	7.99
Mountain States Tel. & Tel. Co.	Tucson	Arizona	19.00	8.85
New England Tel. & Tel. Co.	Portland	Maine	28.30	10.25
New York Telephone Co.	Syracuse	New York	18.44	8.88
North State Telephone Co.	High Point	N.C.	9.50	4.50
Northeastern Bell Tel. Co.	Council Bluffs	Iowa	21.35	9.10
Pacific Northwest Bell Tel. Co.	Salem	Oregon	19.60	7.75
Pacific Tel. & Tel. Co., Inc.	Riverside	California	14.55	5.70
South Central Bell Tel. Co.	Gadsden	Alabama	30.30	10.75
Southern Bell Tel. & Tel. Co.	Asheville	N.C.	20.75	7.90
Southern Bell Tel. & Tel. Co.	Charlotte	N.C.	22.75	8.55
Southern Bell Tel. & Tel. Co.	Greensboro	N.C.	21.35	8.10
Southern Bell Tel. & Tel. Co.	Raleigh	N.C.	21.95	8.30
Southern Bell Tel. & Tel. Co.	Winston-Salem	N.C.	21.95	8.30
Southern New England Tel. Co.	Bridgeport	Conn.	25.01	8.77
Southwestern Bell Tel. Co.	Corpus Christi	Texas	16.45	6.15
Wisconsin Telephone Co.	Green Bay	Wisconsin	19.00	8.35

Source: NARUC Booklet "Exchange Service Telephone Rates," June, 1980.

lustrate the wide disparities in rates between companies and states.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll free) service. Intrastate toll charges in North Carolina are uniform throughout the State. See Figure No. 36.

FIGURE NO. 36

NORTH CAROLINA INTRASTATE TELEPHONE TOLL RATES IN EFFECT JUNE 30, 1981

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	$ .18	$ .11
11-16	.22	.14
17-22	.25	.17
23-30	.30	.20
31-40	.34	.23
41-55	.38	.26
56-70	.41	.30
71-124	.44	.32
125-196	.49	34
197-292	.52	.36
293-430	.55	.37
431-544	.58	.38

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

	Charge Per Call
a. STATION	
(a) Customer Dialed Credit Card	$ .30
(b) All other	.70
b. PERSON	
(a) All calls	1.70

(Continued on next page)

FIGURE NO. 36 (Continued)

Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00 Noon	Day Rate Period FULL RATE						
12:00 Noon to 1:00 PM	Daytime Savings Rate Period 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period 25% Discount						Eve. 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period 50% Discount						

DISCOUNTS

Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges.

Two- and Four-Party Service

Two-party and four-party service in North Carolina has been reduced to less than 5% of the total lines in service.

Five- and Multi-Party Services

During 1978, the number of five- and multi-party services in the State was reduced to -0- and 46, respectively, and was completely eliminated during the 1979-1980 period.

Service Charges

These are the charges made for installing, moving, and changing telephone instruments. These charges have been increased for some companies in the past few years in rate cases to make them more cost-related. Below are some typical charges by selected companies for various services relating to installing a telephone:

Charges for Various Telephone Installation Services Currently in Effect July 1, 1981

	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	15.00	20.00	9.60	14.70	13.00	21.25
Premises Visit	8.00	8.00	4.55	4.55	5.75	5.75
Central Office Work	4.00	4.50	4.40	4.80	7.90	10.95
Line Work	4.25	15.00	—	—	—	—
Inside Wiring	9.00	12.00	3.50	4.40	8.75	15.05
Jack	6.00	6.00	2.70	2.70	3.90	3.90
Equipment Work	6.75	10.25	2.55	3.60	3.05	4.10
Totals*	53.00	75.75	27.30	34.75	42.35	61.00

---

*These are typical charges made for the installation of one main station at a new location.

Charges for Various Telephone Installation Services Currently in Effect July 1, 1981

	Heins		Ellerbe		West Caro., Westco	
	Residence	Business	Residence	Business	Residence	Business
Service Order	12.00	14.00	12.00	14.00	12.00	17.50
Premises Visit	5.00	6.00	5.00	6.00	6.00	8.00
Central Office Work	3.00	3.00	3.00	3.00	5.05	11.75
Line Work	—	—	—	—	18.00	22.00
Inside Wiring	6.00	9.00	4.00	7.00	12.00	20.00
Jack	—	—	2.00	2.00	2.50	2.50
Equipment Work	2.00	2.00	2.00	2.00	3.50	5.00
Totals*	28.00	34.00	28.00	34.00	59.05	86.75

---

*These are typical charges made for the installation of one main station at a new location.

Special Charges

Certain special equipment, such as key systems and private branch exchanges systems, require special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

During 1979 and 1980, as in the past, much time was required in formal hearings for telephone companies. Preparation and actual hearing time effort associated with the general rate proceedings increased the Commission workload more than any other single telephone matter.

There was action taken on the following general rate increases during 1979 and 1980:

THE TELEPHONE INDUSTRY
Rate Increases Approved Calendar Years 1979 and 1980

Company	Date Filed	Docket Number	Amount Requested	Amount Approved Undertaking	Amount Approved Final	Refund	Date of Final Order
1979							
Barnardsville Telephone Co.	4-23-79	P-75, Sub 23	$ 59,916		$ 42,150		8-02-79
Carolina Tel. & Tel. Co.	9-07-77	P-100, Sub 45	10,142,995	$10,142,995	10,142,995[1]		4-20-79
	1-19-78	P-7, Sub 624	5,518,734		(6,723,290)[1]	$(6,723,290)[1]	4-20-79
Ellerbe Telephone Co.	5-11-79	P-21, Sub 36	104,000		60,827		12-14-79
Mebane Home Telephone Co.	4-23-79	P-35, Sub71	129,000		36,647		11-26-79
1980							
Southern Bell Tel. & Tel.	7-03-79	P-55, Sub 777	$45,282,000		$25,489,000		2-07-80

---

[1] P-100, Sub 45 — Investigation of Interstate long distance, WATS, and Interexchange Private Line Rates of all telephone companies under the jurisdiction of the Commission. Carolina Tel. & Tel. Company's portion of P-100, Sub 45, was combined with general rate case P-7, Sub 624, resulting in a net increase in revenues of $3,419,705.

G. WESTERN UNION OFFICES

In recent years, as large businesses made growing use of their telex and TWX terminal capability for originating telegrams and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for Western union local offices steadily declined in the United States and in North Carolina. Today, less than 10% of public message traffic is accepted over the counter; and most of that traffic is money order business.

This customer usage pattern resulted in the gradual reduction in the number of telephone company-owned and operated offices from more than 3,000 in the 1940's to fewer than 200 by the end of 1980 in North Carolina. The following illustrates the number of Western Union offices in the United States and in North Carolina:

	United States 1979	United States 1980	North Carolina 1979	North Carolina 1980
Independent Offices and Branches	183	177	5	5
Joint Offices	0	0	0	0
Agency Offices	4,754	5,297	167	204
Total	4,937	5,474	172	209

H. RADIO COMMON CARRIERS

There are presently fourteen (14) certified Radio Common Carriers (RCCs) operating in North Carolina. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided so as to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHZ or 900 MHZ bands.

During 1980, the Commission granted the first general rate increase to an RCC since State regulation of the industry began in the 1960's. After investigations and hearings, the Commission authorized a revenue increase of approximately 30% to Ans-A-Phone Communications, Inc., and Aircall, Inc., as a result of their filing a general rate case.

I. SOURCE AND DISPOSITION OF REVENUES — COMMENTS

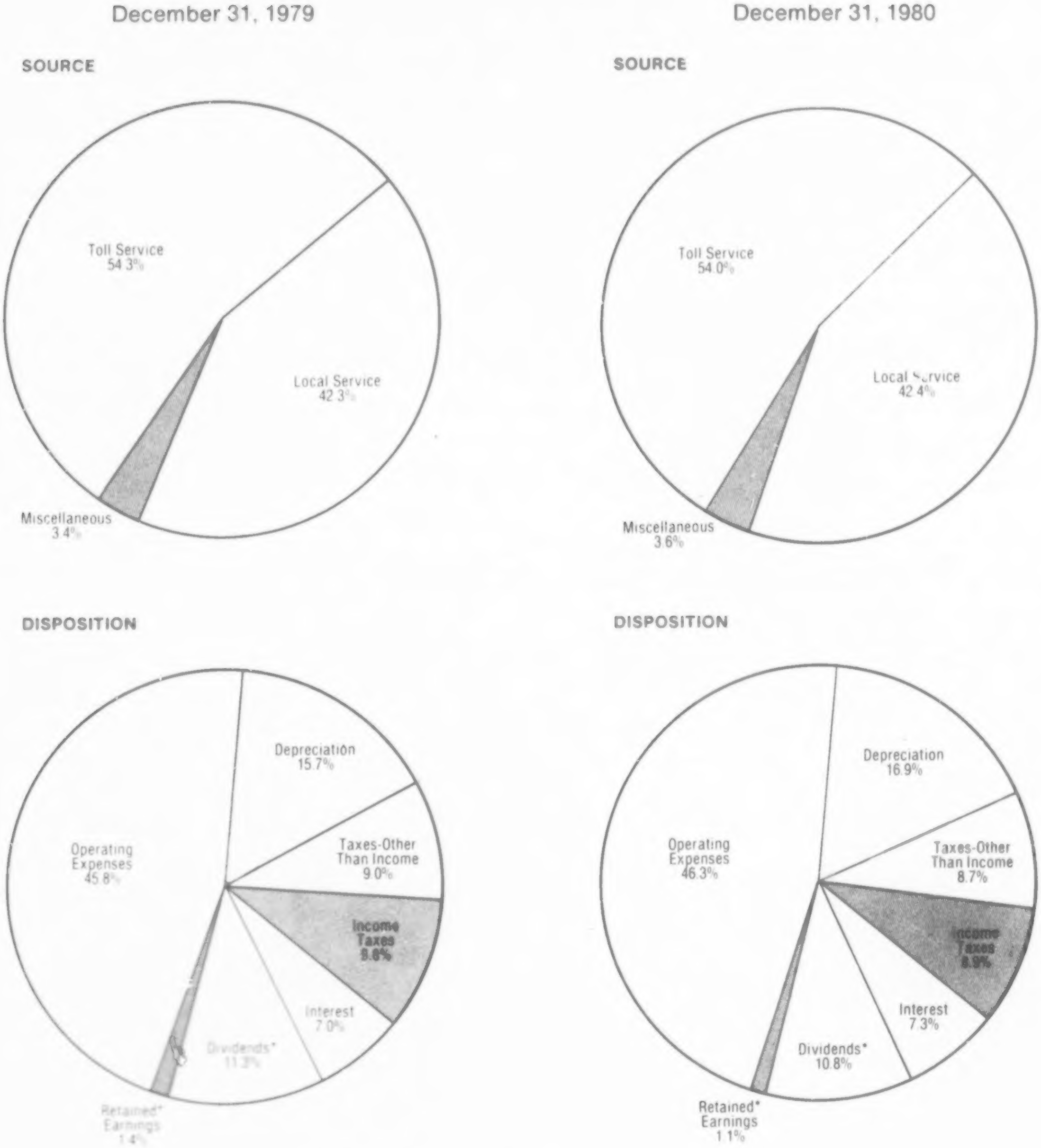
The telephone companies derived about 42.4% of their revenues from local charges, 54.0% from toll charges, and 3.6% from miscellaneous services in 1980. These ratios have not changed drastically on a year-to-year basis, but the long-term trend as shown on Figure No. 37 shows that toll revenue is producing an increased percentage of total revenue; the trend being 41.1% in 1960, 43.8% in 1965, 47.6% in 1970, 49.5% in 1975, 54.3% in 1979, and 54.0% in 1980.

The components of the disposition of the revenue dollar as shown on Figure No. 37 indicates that for the year 1980 compared to 1979 operating expenses, depreciation, and interest increased while taxes and dividends decreased. This resulted in a decrease in retained earnings from 1.4% in 1979 to 1.1% in 1980.

FIGURE NO. 37

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES

NORTH CAROLINA OPERATIONS ONLY



*Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investment.

J. PLANT INVESTMENT — COMMENTS

The regulated telephone companies increased their gross plant investment in North Carolina 9.2% in 1977, 9.6% in 1978, 11.3% in 1979, and 9.2% in 1980. These increases represent investments of $231 million 1977, $266 million in 1978, $342 million in 1979 and bring the total gross investment at December 31, 1980, to $3,676,964 or to $896 per telephone based on year-end count.

Figure No. 38 shows investment per telephone for the years 1960, 1965, 1970, 1975, 1979, and 1980 on a North Carolina industrywide basis. Figure No. 39 shows the same data for each of the regulated telephone companies operating in North Carolina. The investment per telephone data as shown on Figure No. 39 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

K. STATISTICAL SUMMARY DATA

Total operating revenue of the telephone companies increased in 1980 over 1979 by 12.7%. Operating expenses increased by 15.6% in 1980 over 1979, and net operating revenue increased 10.6% for the same period. Salaries and wages increased by 12.6% in 1980 over 1979, as compared with 14.6% for 1979 over 1978. Total salaries and wages paid by the telephone companies in 1980 were almost $405 million as compared with $359 million, while total average number of employees increased to 21,678 in 1980 from 21,188 in 1979, or 2.3%. A detailed account of these and other selected items is shown in Figure No. 40.

FIGURE NO. 38

TELEPHONE COMPANIES
PLANT INVESTMENT PER TELEPHONE
WITH PERCENT INCREASE 1980 OVER 1979

(N. C. Data Only)

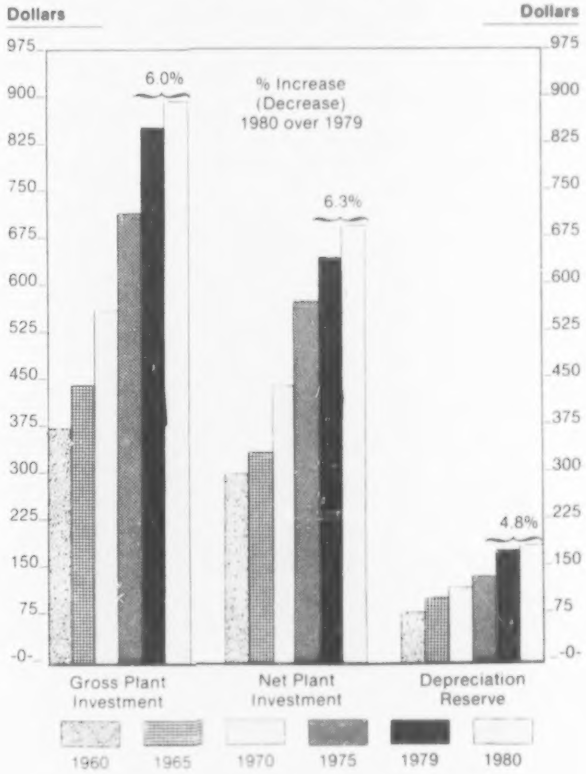


FIGURE NO. 39

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1979, 1980

	1960 Per Phone		1965 Per Phone		1970 Per Phone		1975 Per Phone		1979 Per Phone		1980 Per Phone		1980 Total Plant (000's)		1980 vs. 1979 % Change Per Phone	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Carolina Tel. & Tel. Co.[1] [8]	$513.52	$396.01	$556.81	$413.31	$680.30	$525.46	$ 820.89	$625.35	$ 927.37	$682.05	$ 971.34	$707.28	$ 924,468	$ 673,143	4.7	3.7
Central Telephone Co.[2]	316.53	260.39	390.58	327.98	522.00	435.31	762.60	637.96	846.21	689.44	887.27	715.66	214,335	172,879	4.9	3.8
Citizens Telephone Co.	329.67	266.91	571.56	504.86	776.13	635.82	892.07	655.20	1,002.58	688.17	1,085.12	743.15	17,327	11,866	8.2	8.0
Concord Telephone Co.	257.23	202.84	334.96	255.36	423.13	308.78	545.97	395.38	577.25	383.81	616.70	409.60	57,810	38,415	6.8	6.8
Ellerbe Telephone Co.	255.54	172.57	298.47	175.20	592.04	558.44	734.83	536.56	1,002.54	742.51	1,025.22	749.35	2,053	1,501	2.3	.9
General Tel. Co. of the Southeast[3]	267.08	203.13	373.86	291.40	739.30	624.61	852.47	691.42	997.91	753.41	1,018.63	797.88	164,926	129,184	2.1	5.9
Heins Telephone Co.	288.50	234.78	493.96	423.84	481.92	372.04	732.37	571.79	781.74	563.35	787.01	545.17	23,679	16,403	.7	(3.2)
Lexington Telephone Co.	296.62	219.02	364.05	255.03	533.50	406.36	629.94	465.22	687.83	484.95	722.19	507.36	20,817	14,625	5.0	4.6
Mebane Home Telephone Co.	312.66	249.08	512.68	404.24	693.07	510.94	840.11	601.54	904.10	608.26	980.33	657.50	6,742	4,522	8.4	8.1
Mid-Carolina Telephone Co.[4]	408.29	336.02	498.84	387.07	620.06	495.66	680.98	515.00	751.39	576.00	793.61	602.88	86,303	65,561	5.6	4.7
North State Telephone Co.	246.17	174.57	320.64	224.04	394.86	272.55	470.66	317.94	541.37	369.36	567.03	369.08	62,906	40,946	4.7	(.1)
Pineville Telephone Co.[5]	—	—	—	—	—	—	—	—	516.78	276.90	715.93	532.33	1,558	1,159	38.5	92.2
Randolph Telephone Co.	381.87	339.66	694.71	590.75	824.89	654.17	796.77	562.67	881.77	607.59	869.53	576.66	3,281	2,176	(1.4)	(5.1)
Sandhill Telephone Co.	307.32	227.47	445.62	323.25	586.88	400.88	622.20	367.70	643.79	375.07	702.82	424.65	3,672	2,219	9.2	13.2
Southern Bell Tel. & Tel. Co.[6]	364.67	294.08	419.57	330.63	507.07	396.48	688.37	427.29	818.36	668.92	879.25	726.89	1,972,759	1,630,868	7.4	8.7
Westco Telephone Co.	N/A	N/A	688.60	596.70	828.30	731.61	991.65	843.52	1,135.56	898.76	1,220.66	951.30	41,526	32,362	7.5	5.8
Western Carolina Tel. Co.[7]	451.24	360.17	542.67	411.53	831.06	728.96	1,047.94	926.71	1,140.23	927.48	1,212.69	966.66	69,824	55,658	6.4	4.2
Totals: Class A & B	$375.91	$298.32	$442.36	$343.77	$561.60	$441.48	$ 722.32	$576.20	$ 845.73	$663.95	$ 896.34	$705.92	$3,673,986	$2,893,487	6.0	6.3
Class C & D																
Barnardsville Telephone Co.	$236.55	$191.39	$ 197.81	$ 139.07	$266.02	$167.45	$322.13	$226.67	$1,054.99	$987.52	$1,016.36	$925.34	$ 890	$ 811	(3.7)	(6.3)
Continental Tel. Co. of Virginia	328.02	200.29	1,353.02	1,157.81	870.64	724.34	946.89	764.08	971.95	797.53	1,071.37	881.66	484	398	10.2	10.5
Saluda Mountain Tel. Co.	N/A	N/A	79.42	29.31	284.57	199.14	401.96	302.68	406.88	281.53	413.17	274.38	546	362	1.5	(2.5)
Service Telephone Co.	342.67	302.13	317.18	231.85	417.71	301.35	955.67	811.33	797.89	617.00	724.21	536.56	1,058	784	(9.2)	(13.0)
Totals: Class C & D	$217.72	$183.74	$ 265.67	$ 190.43	$393.83	$287.65	$639.90	$515.73	$ 746.03	$608.15	$ 724.76	$573.18	$ 2,978	$ 2,355	(2.9)	(5.8)
Grand Totals	$375.77	$298.22	$ 442.23	$ 343.65	$561.47	$441.36	$722.25	$576.15	$ 845.64	$663.90	$ 896.17	$705.79	$3,676,964	$2,895,842	6.0	6.3

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2] Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal-Belt Telephone companies merged into Mid-Carolina Telephone Company, December 10 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior are included in Mid-Carolina Telephone Company.

[5] Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6] Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior are included in Southern Bell.

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Norfolk & Carolina Tel. & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

N/A — Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 40

TELEPHONE COMPANIES — CLASSES A, B, C, AND D. SUMMARY OF SELECTED DATA—INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS

For the Calendar Years 1960, 1965, 1970, 1975, 1979, 1980
(N.C. Data Only, Unless Otherwise Noted) (Dollars in 000's)

	1960	1965	1970	1975	1979	1980	% Change More (Less) 1980 over 1979
Number of Companies Regulated	34	32	29	26	22	21	
Number Included in this Data	34	32	29	25	22	21	
Income Items (N.C. Only):							
Local Service Revenue	$ 70,625	$ 103,540	$ 168,708	$ 314,658	$ 450,236	$ 508,105	12.9
Toll Service Revenue	53,180	86,630	163,506	326,870	578,567	648,251	12.0
Miscl. Revenue less Uncollectibles	4,743	7,613	11,046	18,412	36,883	43,225	20.5
Total Operating Revenues	$ 128,548	$ 197,783	$ 343,260	$ 659,940	$1,064,686	$ 1,199,581	12.7
Net Rent from/for Lease of Operating Property				523	817	922	12.9
Total Operating Revenues after Rent of Operating Property	128,548	$ 197,783	$ 343,260	$ 659,417	$1,063,869	$ 1,198,659	12.7
Expense Items:							
Maintenance	$ 19,755	$ 31,723	$ 58,878	$ 125,222	$ 225,830	$ 255,556	13.2
Depreciation	19,051	32,057	55,898	107,434	167,236	203,084	21.4
Traffic	15,722	21,268	35,179	53,066	58,146	62,355	7.2
Commercial				40,847	73,973	88,775	20.0
General Office				25,746	50,847	56,269	10.7
Other	32,003	37,299	$ 65,239	44,109	78,592	90,941	15.7
Total Operating Expenses Before Taxes	$ 86,531	$ 122,347	215,194	$396,424	$ 654,624	$ 756,980	15.6
State Taxes:							
Income Taxes	$ 2,062	$ 3,377	4,451	$ 8,060	$ 14,223	$ 14,397	1.2
Gross Receipts	N/Apl	9,152	14,968	29,208	46,989	51,822	10.3
Property	N/Apl	5,826	11,776	22,573	30,087	31,596	5.0
Other Operating Taxes				269	539	467	(13.4)
Total State Taxes	$ 2,062	$ 18,355	31,195	$ 60,110	$ 91,838	$98,282	7.0
Federal Taxes:							
Income Taxes	$ 17,893	$ 19,564	30,529	$ 12,702	$ 20,837	$ 22,049	5.8
Investment Credits	N/A	1,763	1,093	17,650	26,276	31,643	20.4
Deferred Accelerated Depreciation	N/A	(277)	(976)	30,231	43,282	38,112	(11.9)
Other Taxes				10,405	17,835	20,344	14.1
Total Federal Taxes	$ 17,893	$ 21,050	$ 30,646	$ 70,988	$ 108,230	$ 112,148	3.6
Total State & Federal Taxes	$ 19,955	$ 39,405	$ 61,841	$ 131,098	$ 200,068	$ 210,430	5.2
Total Operating Expenses	$ 106,486	$ 161,752	$ 277,035	$ 527,522	$ 854,692	$ 967,410	13.2
Net Operating Revenue	$ 22,062	$ 36,031	$ 66,225	$ 131,895	$ 209,177	$ 231,249	10.6
Other Income (Deductions):							
Interest Charged to Construction				$ 4,958	$ 3,194	$ 4,063	27.2
Fixed Charges				(55,239)	(74,258)	(88,110)	18.7
Other (Net)				9,260	12,072	14,049	16.4
Total Other Income (Deductions)				$ (41,021)	$ (58,992)	$ (69,998)	18.7
Net Income				$ 90,874	$ 150,185	$ 161,251	7.4
% Net Operating Income to Total Operating Income					19.7%	19.3%	
% Net Income to Total Operating Income					14.1%	13.5%	
Balance Sheet Items (N.C. Only):							
Telephone Plant in Service	$ 431,647	$ 690,389	$1,270,005	$2,244,307	$3,236,445	$ 3,566,961	10.2
Less: Depreciation Reserve	89,084	153,896	271,675	466,752	723,401	781,122	8.0
Net Telephone Plant in Service	$ 342,563	$ 536,493	$ 998,330	$1,777,555	$2,513,044	$ 2,785,839	10.9
Telephone Plant Under Construction & Held for Public Use				63,021	129,487	110,003	(15.0)
Total Net Telephone Plant	$ 342,563	$ 536,493	$ 998,330	$1,840,576	$2,642,531	$ 2,895,842	9.6
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 705,569	$1,110,037	$1,363,554	$2,781,295	$3,862,054	$ 4,316,656	11.8
Total Capitalization	$2,242,115	$3,494,774	$3,506,565	$6,832,299	$9,419,691	$10,378,054	10.2
Long-Term Debt % of Total Capitalization							
Including Southern Bell[1]	30.3	31.8	38.9	40.7	41.0	41.6	1.5
Excluding Southern Bell[1]	44.3	46.4	49.0	49.4	45.7	46.7	2.2
Statistics (N.C. Only):							
Telephones in Service — Year End							
Residence — Mains	694,189	891,622	1,183,560	1,517,288	1,761,881	1,807,313	2.6
— Extensions	152,432	262,804	493,942	889,590	1,254,311	1,296,753	3.4
Total Residence Phones	846,621	1,154,426	1,677,502	2,406,878	3,016,192	3,104,066	2.9
Business — Mains	113,949	140,054	185,393	244,387	297,928	306,627	2.9
— Extensions	81,036	115,478	155,616	206,493	261,952	271,418	3.6
Total Business Phones	194,985	255,532	341,009	450,880	559,880	578,045	3.2
Coin Operated, PBX Units & Special Services	128,716	178,416	272,202	378,041	440,225	457,612	3.9
Grand Total of all Telephones in Service	1,170,322	1,588,374	2,290,713	3,235,799	4,016,927	4,139,723	3.1
Average Number of Calls per Telephone (Class A & B only)							
Local	2,367	2,131	2,101	1,978	1,746	1,710	(2.1)
Toll	55	63	85	113	198	198	-0-
Total Average Number of Employees	10,393	12,324	17,791	19,461	21,188	21,678	2.3
Total Wages & Benefits Paid Employees (Est.)	$ 47,267	$ 68,423	$ 121,531	$ 221,163	$ 359,413	$ 404,832	12.6
Average Annual Wages & Benefits Paid Employees (actual $)	$ 4,548	$ 5,552	$ 6,831	$ 11,364	$ 16,963	$ 18,675	10.1

[1] Weighted Average

N.A.	Not Available
N. Apl.	Not Applicable

VII. Water And Sewer Companies

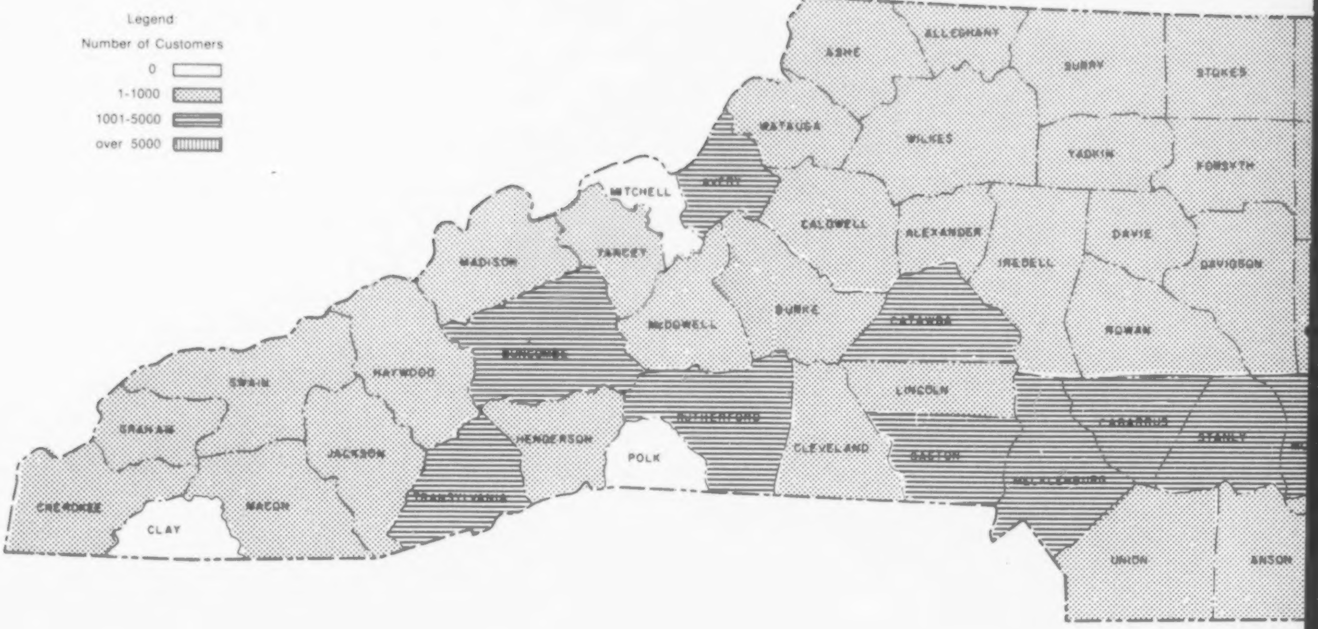

Legend
Number of Customers
0
1-1000
1001-5000
over 5000
ASHE
ALLEGHANY
SURRY
STOKES
WATAUGA
WILKES
YADKIN
FORSYTH
AVERY
MITCHELL
CALDWELL
ALEXANDER
IREDELL
DAVIE
DAVIDSON
MADISON
YANCEY
McDOWELL
BURKE
CATAWBA
ROWAN
SWAIN
HAYWOOD
BUNCOMBE
LINCOLN
GRAHAM
RUTHERFORD
CABARRUS
HENDERSON
STANLY
JACKSON
POLK
CLEVELAND
GASTON
MECKLENBURG
CHEROKEE
TRANSYLVANIA
CLAY
MACON
UNION
ANSON

FIGURE NO. 48

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES
on Dec. 31, 1980

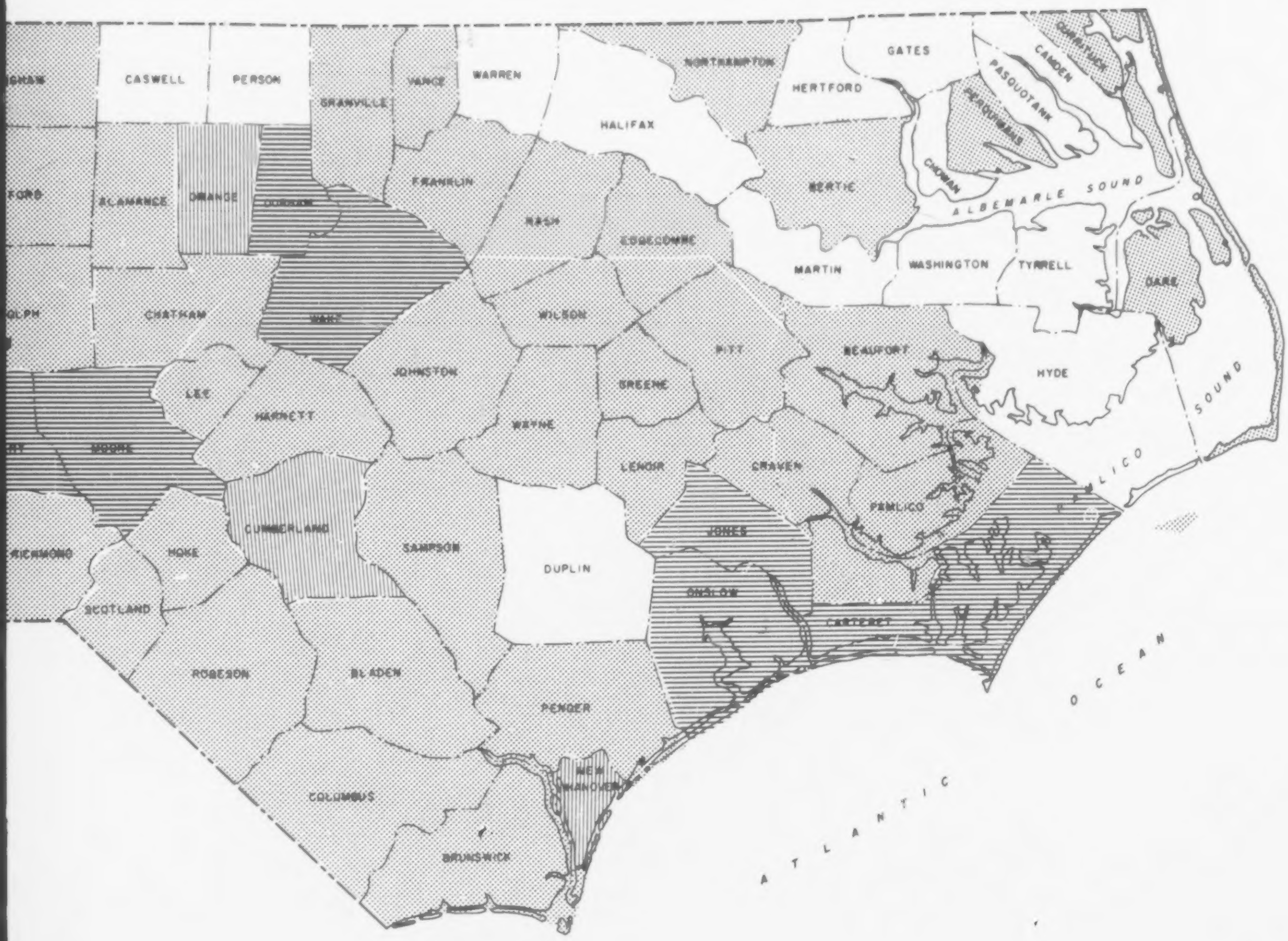

GHAM
CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
HERTFORD
GATES
CURRITUCK
CAMDEN
PASQUOTANK
PERQUIMANS
HALIFAX
FORD
ALAMANCE
ORANGE
DURHAM
FRANKLIN
BERTIE
CHOWAN
ALBEMARLE SOUND
NASH
EDGECOMBE
MARTIN
WASHINGTON
TYRRELL
DARE
OLPH
CHATHAM
WAKE
WILSON
PITT
BEAUFORT
HYDE
JOHNSTON
GREENE
LEE
HARNETT
SOUND
WAYNE
RY
MOORE
LENOIR
CRAVEN
LICO
PAMLICO
CUMBERLAND
JONES
RICHMOND
HOKE
SAMPSON
DUPLIN
ONSLOW
SCOTLAND
CARTERET
ROBESON
BLADEN
PENDER
OCEAN
NEW HANOVER
COLUMBUS
ATLANTIC
BRUNSWICK

FIGURE NO. 42

DISTRIBUTION OF SYSTEMS AND CUSTOMERS N.C. REGULATED WATER AND SEWER UTILITIES
at December 31, 1980

County	No. of Systems	No. of Customers
Alamance	8	441
Alexander	15	309
Alleghany	1	110
Anson	1	62
Ashe	4	222
Avery	12	2,701
Beaufort	2	100
Bertie	2	30
Bladen	1	11
Brunswick	4	293
Buncombe	10	1,658
Burke	6	126
Cabarrus	38	2,078
Caldwell	9	391
Camden	-0-	-0-
Carteret	11	1,770
Caswell	2	7
Catawba	80	2,940
Chatham	4	349
Cherokee	3	129
Chowan	-0-	-0-
Clay	-0-	-0-
Cleveland	9	454
Columbus	4	93
Craven	8	500
Cumberland	61	24,394
Currituck	1	170
Dare	1	122
Davidson	1	26
Davie	4	199
Duplin	-0-	-0-
Durham	13	846
Edgecombe	2	115
Forsyth	12	957
Franklin	1	70
Gaston	95	4,306
Gates	-0-	-0-
Graham	1	12
Granville	6	32
Greene	1	13
Guilford	5	256
Halifax	-0-	-0-
Harnett	16	1,283
Haywood	4	109
Henderson	7	302
Hertford	-0-	-0-
Hoke	2	89
Hyde	-0-	-0-
Iredell	26	980
Jackson	5	1,120
Johnston	8	192
Jones	-0-	-0-
Lee	5	1,929
Lenoir	5	912
Lincoln	7	607
Macon	3	208
Madison	1	100
Martin	-0-	-0-
McDowell	-0-	-0-
Mecklenburg	40	3,703
Mitchell	-0-	-0-
Montgomery	4	225
Moore	10	3,307
Nash	2	31
New Hanover	40	5,679
Northampton	1	23
Onslow	25	3,291
Orange	7	309
Pamlico	-0-	-0-
Pasquotank	-0-	-0-
Pender	1	32
Perquimans	1	615
Person	-0-	-0-
Pitt	5	597
Polk	1	17
Randolph	12	588
Richmond	-0-	-0-
Robeson	5	169
Rockingham	9	255
Rowan	27	899
Rutherford	6	4,345
Sampson	1	33
Scotland	7	600
Stanly	9	322
Stokes	5	288
Surry	24	694
Swain	1	11
Transylvania	5	5,137
Tyrrell	-0-	-0-
Union	9	939
Vance	1	20
Wake	80	4,566
Warren	-0-	-0-
Washington	-0-	-0-
Watauga	8	704
Wayne	7	840
Wilkes	1	16
Wilson	8	305
Yadkin	1	14
Yancey	1	71
Total	891	92,768

WATER AND SEWER COMPANIES

A. GENERAL COMMENTS

As of December 31, 1980, there were 891 water and sewer systems in North Carolina which are operated as regulated public utilities owned by 398 companies. These are comprised of 819 water and 72 sewer systems. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water or sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to less than ten (10) residential customers. Specifically exempt from regulation under the Statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The Statutes also exempt certain consumer-owned corporations.

Figure Nos. 41 and 42 show a map and in chart form the locations of the water and sewer systems by counties with the number of systems and customers in each county.

Approximately 91% of the regulated companies receive less than $50,000 in annual revenues, and none receive more than $500,000. Approximately 67% of the companies serve less than 100 customers.

The smaller water and sewer companies lack the manpower and other resources required to provide all the professional services expected of modern utility companies. Many small company operations are generally unfamiliar with proper bookkeeping methods, and they have incomplete records or no records at all to substantiate the cost of system improvements or operations. When customer demand has outgrown the original capacity of the system, a small water or sewer utility is often unable to obtain adequate capital for expansion.

B. COMMISSION ACTIVITIES

During 1980, 36 water and/or sewer companies, serving 24,180 customers filed for general rate increases. Their requests for additional annual revenues totaled $1,104,786. This compares to 25 filings during 1979, seeking additional revenues of $501,380. In 1980, the Commission granted approximately 54% of the requested increased revenues, in cases where the rates were contested. In noncontested cases, the entire amount requested was granted or that portion required to produce a reasonable margin of profit to the owners.

Applications for new franchises totaled 33 in 1980, as compared to 19 in 1979. There were 25 requests for transfers of franchises in 1980, stemming mostly from larger systems and municipalities taking over smaller systems. This is reflected by the fact that the number of regulated systems is increasing while the number of companies decreased slightly.

In addition, the Commission was involved in a number of formal complaint proceedings, tariff amendments, and stock transfers or mergers. The Utilities Commission Public Staff also conducts numerous informal investigations involving service problems, customer complaints, compliance with previous Commission orders, and utility status.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina is shown on Figure No. 47; Figure No 48 shows the same comparable components for residential sewer service in North Carolina for the same period.

The Outside City Limits charges for municipal systems vary from 1 to 2-1/2 times the Inside City Limits rates.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina decreased to 398 companies by December 31, 1980, as compared to 403 companies at December 31, 1979. The 398 companies operate 819 water systems and 72 sewer systems within the State. They serve approximately 93,000 water and sewer customers, and receive approximately $8,900,000 annual revenues. See Figure No. 46 for a graphic presentation of the customer, revenue, and plant growth of the regulated water and sewer companies.

Of the 398 water and sewer companies regulated as of December 31, 1980, only 7 water companies and 6 water/sewer companies had records in sufficient detail to permit any useful comparative data to be developed for this report. The individual financial and statistical data for these 13 companies for the year 1980 is shown on Figure Nos. 44 and 45.

Caution should be used in applying the results of the data shown for these 13 companies to any specific situation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for rate-making purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions.

Often, there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stage of development.

In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 43

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

Company	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Acqua, Inc., Hickory, N.C.	W-270	$	$	91		1	
Alamance Village Utility Corp., Graham, N.C.	W-671	-0-		-0-		-0-	
Alexander Water Supply, Kannapolis, N.C.	W-019	997		20		1	
Allen Hills Water Co., Inc., Charlotte, N.C.	W-050	4,115		-0-		-0-	
All Star Mobile Home Park, Raleigh, N.C.	W-628	937		10		1	
Anderson Creek Homes Water System, Spring Lake, N.C.	W-724	1,062		28		1	
Anderson Creek Water Co., Spring Lake, N.C.	W-336	3,323		62		1	
Anderson, Wayne, China Grove, N.C.	W-566	2,034		30		1	
Aqua Company, Wilmington, N.C.	W-190	1,186		24		1	
Associated Realty & Investment, Blowing Rock, N.C.	W-384	3,721		71		1	
Associated Utilities, Inc., Wilmington, N.C.	W-303	30,974	22,228	428	333	3	3
Atlantic Beach Sales & Services, Morehead City, N.C.	W-075	53,750		733		1	
Autry Water System, Fayetteville, N.C.	W-317			45		3	
Avalon Water System, Inc., Randleman, N.C.	W-382	876		19		1	
Aycock, Gene, Water Co., Kannapolis, N.C.	W-008	7,252		127		3	
B. & C. Builders, Inc., Hickory, N.C.	W-697	8,143		91		1	
Bailey's Utilities, Inc., Raleigh, N.C.	W-365	74,579		634		12	
Bald Mountain Development Corp., Mars Hill, N.C.	W-410	5,689		171		1	
Barclay Downs Utilities, Inc., Knightdale, N.C.	W-404	17,446		112	111	1	1
Barrier Grain Co., Mt. Pleasant, N.C.	W-688	992		15		1	
Bayview Water Works, Belhaven, N.C.	W-565	6,917		93		1	
Beachwood Distributing Co., Inc., Newton, N.C.	W-622	482		10		1	
Beam, Murry V., Water Supply, Cherryville, N.C.	W-464	648		20		1	
Bear Paw Company, Murphy, N.C.	W-500	5,875	973	96	14	1	1
Beard, W.H., Archdale, N.C.	W-351	5,085		138		2	
Beatties Ford Utility Co., Charlotte, N.C.	W-192	24,191	24,191	359	359	1	1
Bellview Water System, Inc., Shelby, N.C.	W-684	299		6		1	
Belmont Water Co., Inc., Fayetteville, N.C.	W-393	2,466		25		1	
Bermuda Run Country Club, Inc., Advance, N.C.	W-707		11,256		134		1
Bess Brothers, Inc., Gastonia, N.C.	W-331	11,359		186		5	
Bess, Craig, Inc., Gastonia, N.C.	W-281	17,570		260		6	
Bethlehem Utilities, Inc., Hickory, N.C.	W-259	29,950		263		4	
Billingsley, W.D. & John T., Reidsville, N.C.	W-632	2,420		28		1	
Birchwood Farms, Inc., Hope Mills, N.C.	W-656	1,606		24		1	
Boiling Spring Lakes Water Co., Charleson, S.C.	W-582	1,740		31		1	
Bolick, Albert L., Newton, N.C.	W-430	1,342		17		1	
Bostain Water System, Hickory, N.C.	W-161	882		26		1	
Bradshaw Water Co., Charlotte, N.C.	W-103	2,780		52		1	
Brandywine Bay Utility Co., Raleigh, N.C.	W-693	4,326	4,326	49	47	1	1
Bridges Community Water System, Forest City, N.C.	W-304	-0-		-0-		-0-	
Brightwater Water Dept., Hendersonville, N.C.	W-151	5,164		85		1	
Brindle Well Drilling, Gastonia, N.C.	W-228	5,061		77		2	
Brookside Water Co., Waynesville, N.C.	W-330	1,044		29		1	
Brookwood Utilities, Inc., Knightdale, N.C.	W-470			34		1	
Brookwood Water Corp., Fayetteville, N.C.	W-177	293,909		3,380		10	
Browning Enterprises, Inc., Hendersonville, N.C.	W-569	4,825		45		1	
Buffalo Meadows Utility Co., Boone, N.C.	W-312	2,291	2,292	21	21	1	1
Buffaloe Water System, Raleigh, N.C.	W-635	3,242		18		1	
C & L Utilities, Inc., Wilmington, N.C.	W-535	13,896		134		2	
C & M Collection Agency, Inc., Statesville, N.C.	W-388	5,594		81		2	
C.N. & H. Corporation, Wilson, N.C.	W-685	4,491		74		1	
Cape Fear Utilities, Inc., Wrightsville Beach, N.C.	W-297	196,560	75,970	1,474	408	12	6
Cape Fear Water Co., Fayetteville, N.C.	W-232	38,709		542		2	
Cardinal Estates Water Co., Newton, N.C.	W-701	376		4		1	
Cardinal Water Co., Greensboro, N.C.	W-668	16,152		88		1	
Carolina-Blythe Utility Co., Little River, S.C.	W-503	36,001	51,850	94	[illegible],95	1	1
Carolina Pines Construction Co., Havelock, N.C.	W-341	4,965		57		1	
Carolina Trace Corp., Sanford, N.C.	W-436	32,714	26,766	295	1,469	1	1
Carolina Water Service of N.C., Northbrook, Ill.	W-354	365,829	117,081	3,980	1,075	32	5
Castor Court Water Co., Inc., Kannapolis, N.C.	W-423	850		16		1	
Central Utilities, Inc., Knightdale, N.C.	W-405	39,012		266		1	
Chapel Hills Utility Co., Boone, N.C.	W-310	5,886		68		1	
Cherokee Hills Holding Corp., Pompano Beach, Fla.	W-643	1,254		19		1	
Chimney Rock Water Works, Chimney Rock, N.C.	W-102	5,227		105		1	
Clear Meadow Water, Inc., Matthews, N.C.	W-715			12		1	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Cleveland Water Systems, Inc., Shelby, N.C.	W-301	$ 10,054	$	156		1	
Cliffdale Water Co., Fayetteville, N.C.	W-203	10,660		174		1	
Cline, H.C., Bldg. & Supply Co., Hickory, N.C.	W-418	2,373		46		1	
Coastal Plains Utility Co., Wilmington, N.C.	W-215	73,518		570		3	
Collins, Robert, Water Supply, Kannapolis, N.C.	W-519	1,637		28		1	
Colony Park Utilities Co., Durham, N.C.	W-208	6,000	179	108	22	1	1
Colony Water of Morehead City, Inc., Morehead City, N.C.	W-654	2,450		31		1	
Combs, Robert F., Stoney Point, N.C.	W-328	2,268		39		2	
Community Water Works, Inc., Statesville, N.C.	W-316	9,006		76		2	
Conner Homes Corp., Newport, N.C.	W-343	3,132		47		1	
Consolidated Utilities, Inc., Wrightsville Beach, N.C.	W-332	1,236		12		1	
Cook, L.V., Water Supply, Albemarle, N.C.	W-540	5,965		104		2	
Coral Park Community Well, Lincolnton, N.C.	W-717	726		10		1	
Corriher Water Service, Inc., China Grove, N.C.	W-233	77,980		899		19	
Country Hills Utilities, Inc., Knightdale, N.C.	W-400	3,862		26		1	
Country Hills Water Co., Monroe, N.C.	W-609	3,081		22		1	
Country Estates Utility Co., Matthews, N.C.	W-660	17,523	16,800	108	45	1	1
Crater Water System, Charlotte, N.C.	W-185	3,454		42		1	
Crestview Water Co., Kinston, N.C.	W-195	3,093		293		1	
Crestview Water Systems, Inc., Salisbury, N.C.	W-325	3,008		52		1	
Cross-State Development Co., Fleetwood, N.C.	W-408	4,000		119		1	
Crowsdale Water, Inc., Raleigh, N.C.	W-588	3,619		41		1	
Cumberland Water Co., Inc., Fayetteville, N.C.	W-169	288,027	187,332	3,627	1,834	11	3
Davis, Roy A. & Virginia B., Wilson, N.C.	W-631	1,221		10		1	
Devlynn Investment Co., Inc., Hickory, N.C.	W-539	4,116		44		1	
Dillard Grading Co., Sylva, N.C.	W-340	6,332		85		2	
Dockery's Water Systems, Gastonia, N.C.	W-721	12,524		107		2	
Duan Water Works, Inc., Newton, N.C.	W-346			9		1	
Duchess Forest Water Supply, Whiteville, N.C.	W-324	2,731		34		1	
Duke Power Co., Rutherfordton, N.C.	W-094	438,679		3,765		1	
Duncan, Gordon, Belmont, N.C.	W-483	1,138		16		1	
East Federal Savings & Loan Assoc., Kinston, N.C.	W-439	22,764	8,194	106	11	1	1
East Rutherford Water System, Inc., Forest City, N.C.	W-527	1,830		30		1	
Economy Finance Co. of Concord, Kannapolis, N.C.	W-528	1,354		11		1	
Edgewood Water System, Kannapolis, N.C.	W-570	446		23		1	
Edwards Millwork & Builder Supply, Spring Hope, N.C.	W-134	2,535		31		1	
Evans, Leroy, Colerain, N.C.	W-594	900		18		1	
FDB, Inc., Tuxedo, N.C.	W-544	525		9		1	
F&H Water Co., Atlantic Beach, N.C.	W-545	2,838		40		1	
Faggart, H.E., Concord, N.C.	W-078	1,368		38		1	
Fairbrook Utility Co., Newton, N.C.	W-674	1,080		18		1	
Fairway Acres Water System, Lenoir, N.C.	W-260	3,458		53		1	
Fairway Shores Water Co., Mt. Gilead, N.C.	W-309	3,690		50		1	
Falling Creek Water Co., Kinston, N.C.	W-590	7,112		310		1	
Falls, Ralph L., Gastonia, N.C.	W-268	17,682		363		5	
Farmer, Arthur V., Lenoir, N.C.	W-506	1,140		20		1	
Faw, Mrs. Francis S., Hickory, N.C.	W-087	5,840		125		1	
Fearrington Utilities, Mebane, N.C.	W-661	32,396		349		3	
Figure 8 Island Utility Co., Wrightsville Beach, N.C.	W-246	18,763		112		1	
Finger, Heavner, & Goodson, Lincolnton, N.C.	W-441	1,872		52		1	
Finger, John R., Kannapolis, N.C.	W-644	2,300		23		1	
Flanders Filters, Inc., Washington, N.C.	W-542			7		1	
Fleetwood Falls, Inc., Fleetwood, N.C.	W-380	6,371		61		1	
Foreman, J.D., Salisbury, N.C.	W-077	1,855		35		1	
Forest Acres Water Co., Taylorsville, N.C.	W-626	1,639		22		1	
Forest Hills Water Co., Inc., Lincolnton, N.C.	W-287			87		1	
Forest Trails Utility, Raleigh, N.C.	W-678	1,338		31		1	
Forest, P. Tony, Taylorsville, N.C.	W-318	1,319		18		1	
Fortis, The, Corporation, King, N.C.	W-358			57	182	1	2
G.F. Company, Linville, N.C.	W-271	18,345	9,172	130	130	2	2
Gabriel's Pinewood Acres, Sherrills Ford, N.C.	W-344	1,381		13		1	
Gaither Water Co., Statesville, N.C.	W-621	1,705		31		1	
Gallagher Trails, Inc., Gastonia, N.C.	W-603	1,078		35		1	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Gaylee Village Utilities, Inc., Knightdale, N.C.	W-402	$	$	163		1	
Genoa Water Systems, Inc., Goldsboro, N.C.	W-321	39,364		266		2	
Gensinger, John W., Raleigh, N.C.	W-549	2,253		27		1	
Glendale Water, Inc., Raleigh, N.C.	W-691	34,513		69		8	
Glynnwood Mobile Home Park, Wilmington, N.C.	W-454	1,974		25		1	
Godley, M.R., Charlotte, N.C.	W-652		1,080		3		1
Goose Creek Utility Co., Charlotte, N.C.	W-369	22,624	32,103	179	179	1	1
Goss Utility Co., Durham, N.C.	W-457	28,372		205		5	
Gower, Jerry, Constr. Co., Knightdale, N.C.	W-465			3		1	
Graham, R.E., Raleigh, N.C.	W-184	2,467		39		1	
Grandview Water Co., Inc., Pfafftown, N.C.	W-183	31,297		344		2	
Greenfield Heights Development, Havelock, N.C.	W-205					1	
Gresham's Lake Utility Co., Inc., Raleigh, N.C.	W-633	8,400	4,583	3	3	1	1
Grove Supply Co., Inc., China Grove, N.C.	W-587	1,080		18		1	
H & A Water Services, Inc., Locust, N.C.	W-510	32,944		346		7	
H & H Development Corp., Wilmington, N.C.	W-315	2,165	5,250	13		1	
HIC Water & Sewer Corp, Durham, N.C.	W-212		8,800	134	124	1	1
H & M Water Company, Inc., Morehead City, N.C.	W-147	9,843		97		1	
Hanover Services, Inc., Hubert, N.C.	W-323	10,009		11		1	
Hare, John E., Apex, N.C.	W-417	1,498		16		1	
Harmony Heights Water Co., Raeford, N.C.	W-481	4,538		63		1	
Harnett Lakes Water Co., Inc., Fayetteville, N.C.	W-210	4,265		69		1	
Harris, John L., Landis, N.C.	W-634	1,170		19		1	
Harward's Realty & Ins. Co., Concord, N.C.	W-710	3,236		36		1	
Havelock Development Corp., Havelock, N.C.	W-223	15,735		117		1	
Hawkins, Paul, Co., Caroleen, N.C.	W-550	23,015		342		2	
Hazelwood Water Corp., Rocky Mount, N.C.	W-516	3,478		62		1	
Heater Utilities, Inc., Cary, N.C.	W-274	356,514		2,161		29	
Hefner Builders, Inc., Taylorsville, N.C.	W-480	1,005		14		2	
Helms Water Co., Matthews, N.C.	W-592	1,418		18		1	
Hendrix-Barnhill Co., Inc., Greenville, N.C.	W-658	2,441		20		1	
Hendrix Development Co., Inc., Salisbury, N.C.	W-616	2,308		43		1	
Hensley Enterprises, Inc., Lowell, N.C.	W-089	140,033		1,273		23	
Heritage Water Co., Inc., Raleigh, N.C.	W-679	6,559		40		1	
Hickory Colonial Furn. Co., Inc., Hickory, N.C.	W-702	1,248		10		1	
Hickory Hills Service Co., Inc., Jacksonville, N.C.	W-460	37,923		360		2	
High Hampton, Inc., Cashiers, N.C.	W-574	6,108		39		1	
High Meadows Water & Utilities, Wilkesboro, N.C.	W-061	12,111		110		1	
Highlands Golf, Ltd., Highlands, N.C.	W-719	9,573		96		1	
Holbrook, Mrs. M.L., Gastonia, N.C.	W-433	2,600		26		1	
Holiday Island Property Owners, Hertford, N.C.	W-386	11,506		615		1	
Hollandale Water Co., Gastonia, N.C.	W-419	1,406		26		1	
Holt, Edgar Lee, Kannapolis, N.C.	W-606	1,316		18		1	
Home Realty & Insurance, Kannapolis, N.C.	W-521	3,044		40		1	
Homestead Community Water, Ridge Manor, Fla.	W-452	2,205		35		1	
Honey Hill Water Co., Whiteville, N.C.	W-420	2,166		25		1	
Honeycutt, Wayne M., Dallas, N.C.	W-472	4,630		43		3	
Hope Brothers Builders, Inc., Statesville, N.C.	W-413	216		4		1	
Hound Ears Lodge & Club, Inc., Blowing Rock, N.C.	W-397	26,461	5,439	274	95	1	1
Huey, Wade, Weaverville, N.C.	W-614	900		15		1	
Huffman, George W., Hickory, N.C.	W-424	1,546		36		1	
Huffman, H.C., Water Systems, Inc., Hickory, N.C.	W-095	41,253		440		8	
Hunter Water Co., Charlotte, N.C.	W-534	8,310		125		2	
Huntley, F.W., Const. Co., Inc., Charlotte, N.C.	W-477	815		16		1	
Hydraulics, Ltd., Greensboro, N.C.	W-218	123,588		1,018		30	
Independent Utilities, Inc., Matthews, N.C.	W-266	16,822	34,008		354		1
J & H Water Company, Raleigh, N.C.	W-686	679		6		2	
Jackson, Harold L., Wilson, N.C.	W-494			17		1	
Jackson Hamlet Water Supply, Aberdeen, N.C.	W-575	6,792		113		1	
Jackson Utility Co., Sapphire, N.C.	W-448	58,321	15,855	830	177	2	1
Jewell, A. Gordon, Asheville, N.C.	W-651	3,416		30		1	
Jones, James A., Shelby, N.C.	W-715			13		1	
Jones, J.W., Gastonia, N.C.	W-422			10		1	
Jones, Vernon, Kinston, N.C.	W-620	2,448		31		1	
Joyceton Water Works, Inc., Lenoir, N.C.	W-004	40,826		155		1	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket	Revenue		Customers		No. Systems	
	Number	Water	Sewer	Water	Sewer	Water	Sewer
Kale, W.R., Catawba, N.C.	W-492	$	$	20		1	
Kannapolis Real Estate Agency, Inc., Kannapolis, N.C.	W-025	1,660		28		1	
Kanuga Park Water System, Hendersonville, N.C.	W-580	943		17		1	
Keistler Water Co., Charlotte, N.C.	W-062	600		20		1	
Killian Water System, Conover, N.C.	W-298	2,307		32		1	
Kimberly Court Water System, Salisbury, N.C.	W-350	755		23		1	
Kindellwood Water Co., Inc., Fayetteville, N.C.	W-196	74,778		473		4	
Kings Grant Water Co., Wilmington, N.C.	W-250	111,988		817		1	
Kiser Water System, Connelly Spring, N.C.	W-352	1,392		18		1	
Knob Creek Properties, Inc., Brevard, N.C.	W-486	6,624		65		1	
Lad, Inc., Concord, N.C.	W-722	5,082		66		3	
Lafayette Water Corp., Fayetteville, N.C.	W-043	497,618		5,725		6	
Lagrange Water Works Corp., Fayetteville, N.C.	W-200	201,631		1,777		6	
Lakeland Village Water Supply, Whiteville, N.C.	W-394	1,387		20		1	
Lake Sheila Homeowners Assoc., Inc., Saluda, N.C.	W-546	1,360		36		1	
Lakeside Estates Water Co., Raleigh, N.C.	W-359	1,389		16		1	
Lake Summit Corp., Spartanburg, S.C.	W-058	5,983		66		1	
Lake Terrace Water System, Inc., Shelby, N.C.	W-683			33		1	
Lamm, William M., Elm City, N.C.	W-708	1,865		15		1	
Land Harbor Development Assoc., Linville, N.C.	W-598	54,365	27,179	776	775	1	1
Laurel Woods Water System, Bessemer, N.C.	W-694	6,133		58		1	
Lavan, Cora Jane, Wilson, N.C.	W-647	1,757		30		1	
Lea Water Company, Willard, N.C.	W-377	3,427		32		1	
Lewis Water Co., Inc., Dallas, N.C.	W-716	6,260		85		5	
Lewis Realty & Construction Co., Gastonia, N.C.	W-288	7,259		136		1	
Lincoln Water Works, Inc., Hickory, N.C.	W-335	8,914		98		1	
Littlefield Water Co., Inc., Lumberton, N.C.	W-348			129		3	
Lone Pine Water Co., Kinston, N.C.	W-451	13,529		53		1	
Longleaf, Inc., West End, N.C.	W-462	33,663		324		1	
Looper Clark Russell, Hickory, N.C.	W-501	2,639		26		1	
Lowesville Water Co., Inc., Lincolnton, N.C.	W-613	4,500		35		1	
M & S Corporation, Concord, N.C.	W-625	8,503		42		1	
M.D. Square, Inc., Raleigh, N.C.	W-338	762		20		1	
Mar Mann, Ltd., New Bern, N.C.	W-669	980		19		1	
Masonboro Utilities, Inc., Wilmington, N.C.	W-623	3,566	7,133	65	65	1	1
Matlock, T.L., Jr., Taylorsville, N.C.	W-624	8,602		40		2	
Matthews, B.E., Constr. Co., Inc., Conover, N.C.	W-641	1,612		18		1	
Mauney, William K., Jr., Kings Mountain, N.C.	W-560	1,410		23		1	
Maxwell Water Company, Stedman, N.C.	W-339	1,908		33		1	
McCullers Pines Water System, Raleigh, N.C.	W-727			12		1	
McNeill & Deal, N. Wilkesboro, N.C.	W-596	810		16		1	
McRae Construction Co., Inc., Wadesboro, N.C.	W-466	344		62		1	
McRee, William E., Maiden, N.C.	W-562	1,380		23		1	
Mecklenburg Utilities, Inc., Charlotte, N.C.	W-617	73,022	32,957	841	257	7	2
Melmount Water Company, Tryon, N.C.	W-711	1,530		17		1	
Mercer Environmental Corp., Jacksonville, N.C.	W-198	179,562	51,613	1,412	435	11	2
Mid-South Water Systems, Inc., Sherrills Ford, N.C.	W-720	17,638		154		6	
Milstead Community Water System, Taylorsville, N.C.	W-718	1,304		16		1	
Miller, R.B., Jr., Hudson, N.C.	W-493	2,134		49		3	
Millner Water Systems, Providence, N.C.	W-695	2,420		7		2	
Mineral Springs Mountain Water, Valdese, N.C.	W-576	1,916		23		1	
Mishue, Dale, Trustee, Garner, N.C.	W-515	3,555		43		1	
Modern Plumbing Co. of Charlotte, Charlotte, N.C.	W-551	1,200		20		1	
Montclair Water Co., Inc., Fayetteville, N.C.	W-173	248,748	161,868	3,086	2,363	2	2
Morlan Park Water Co., Salisbury, N.C.	W-042	1,580		54		1	
Morrison, Mort, China Grove, N.C.	W-530	864		12		1	
Moseley-Nash Water Corp., Roanoke Rapids, N.C.	W-475	2,387		23		1	
Moss, C.J., Kannapolis, N.C.	W-409	2,910		64		1	
Moss Hill Water Works Co., Clinton, N.C.	W-459	4,635		33		1	
Mount Vernon Park Water System, Kinston, N.C.	W-072	7,744		137		1	
Mountain Retreat Assoc., Montreat, N.C.	W-385	38,509	34,201	154	154	1	1
Mountain Realty Water Co., Greensboro, N.C.	W-263	16,639		75		1	
Mullis, Giles E., Kannapolis, N.C.	W-547	5,664		118		5	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket	Revenue		Customers		No. Systems	
	Number	Water	Sewer	Water	Sewer	Water	Sewer
Niagara Water Co., Southern Pines, N.C.	W-059	$ 1,136	$	25		1	
North Brook Constr. Co., Inc., Vale, N.C.	W-349			14		1	
North Crest Water System, Inc., Burlington, N.C.	W-496	1,807		20		1	
Northeast Craven Utility Co., New Bern, N.C.	W-696	48,654	48,654	95	95	1	1
Northeast Utility Co., Richlands, N.C.	W-655	1,688		26		1	
North Forest Utilities, Inc., Knightdale, N.C.	W-403			69		1	
Northwood Developers of Orange County, Carrboro, N.C.	W-690	3,710		54		1	
Norwood Beach Water System, Concord, N.C.	W-498	4,737		62		2	
O/A Utility, Inc., Kill Devil Hill, N.C.	W-392	14,586	15,297		122		1
Oakmont Water Co., Raleigh, N.C.	W-533	3,397		42		1	
Oehler Water Co., Charlotte, N.C.	W-440	5,262		79		4	
Old Farm Water System, Inc., Salisbury, N.C.	W-568	3,765		49		1	
Old South Lane Water System, Inc., Gastonia, N.C.	W-517	713		11		1	
Overhills Water Co., Inc., Dunn, N.C.	W-175	40,638		444		2	
Owen Hill Utilities Corp., Dublin, N.C.	W-437	1,592		11		1	
Owl's Nest Waterworks, Inc., Sanford, N.C.	W-556	12,377		108		1	
P & B Waterworks, Raleigh, N.C.	W-627	5,241		59		1	
P & H Water Co., Inc., Fayetteville, N.C.	W-257	13,718		105		1	
Paradise Point, Inc., Gastonia, N.C.	W-709	3,312				1	
Park Utility Co., Hope Mills, N.C.	S-006		2,080		51		1
Parris, Steddy Durbin, Jr., Monroe, N.C.	W-563	2,345	1,269	59	59		1
Pate, Z.V., Inc., Laurel Hill, N.C.	W-067	40,368		431		1	
Patterson, James D., Gastonia, N.C.	W-276	1,923		28		1	
Payne, Fred L. Water Co., Alexis, N.C.	W-110	10,225		208		7	
Paysours Water Works, Inc., Bessemer City, N.C.	W-278	7,730		80		1	
Pen Properties, Inc., Jacksonville, N.C.	W-586	5,727		41		1	
Picture Park Water Supply, Inc., Concord, N.C.	W-538	5,188		85		1	
Piedmont Construction & Water, Stoney Point, N.C.	W-262	191,645		1,638		42	
Piedmont Estates Water System, Climax, N.C.	W-581	7,119		97		1	
Pierce, Heavner, & Jenkins, Bldr., Gastonia, N.C.	W-363	13,664		133		2	
Pilot Insurance & Realty Co., Salisbury, N.C.	W-182			46		1	
Pine Valley Water Co., Inc., Wrightsville Beach, N.C.	W-242	65,196	9,613	447	219	1	1
Pinehurst, Inc., Pinehurst, N.C.	W-006	194,672	222,551	1,145	939	1	1
Pless, Ben R., Arden, N.C.	W-553	4,228		44		1	
Poole Bros. Bldg. & Trading Co., Raleigh, N.C.	W-513	6,583		115		2	
Powder Horne Utilities, Inc., Triplett, N.C.	W-478	4,204		87		1	
Prior Construction Co., Garner, N.C.	W-567	3,888		36		1	
Proctor Water Works, Dallas, N.C.	W-663	1,605		17		1	
Propst Water Supply, Hickory, N.C.	W-291	1,560		26		1	
Quail Hollow Water System, Inc., Shelby, N.C.	W-427	1,552		27		1	
Quail Run Water System, Kings Mountain, N.C.	W-662	1,653		37		1	
Quality Water Supplies, Inc., Wrightsville, N.C.	W-225	153,382		1,292		7	
Raeford Plumbing & Heating Co., Raeford, N.C.	W-372	2,477		26		1	
Randolph Mills, Inc., Franklinville, N.C.	W-536	4,437	1,087	85	25	1	1
Ratchford, Brady W., Jr., Dallas, N.C.	W-444	4,059		44		1	
Ratchford, Lucius L., Gastonia, N.C.	W-421	1,224		18		2	
Regalwood Water Co., Kinston, N.C.	W-187	10,213		136		1	
Ricks, Frank, Holly Ridge, N.C.	W-529	2,652		65		1	
Ridge Haven Utilities, Inc., Knightdale, N.C.	W-401			157		1	
Ridgecrest Baptist Conference, Ridgecrest, N.C.	W-071	7,659		246		1	
Riverbend Estates Water System, Coral Gables, Fla.	W-390	1,144		41		1	
Rivercrest Builders, Inc., Zebulon, N.C.	W-591	3,700		42		1	
Riverhills, Inc., Greenville, N.C.	W-461		5,409		24		1
Riviera Utilities of N.C., Inc., Gautier, Miss.	W-665	47,009		70		1	
Riverview Water System, Sanford, N.C.	W-723	844		29		1	
Robin Hood, Inc., Cedar Mountain, N.C.	W-227			122		1	
Robin Lake Water System, Goldsboro, N.C.	W-370			183		1	
Rock Barn Club of Golf, Inc., Hickory, N.C.	W-453	4,209		31		1	
Rockingham Realty Co., Inc., Eden, N.C.	W-704	2,430		18		1	
Rolling Springs Water Co., Inc., Spring Lake, N.C.	W-313	28,982		188		4	
Rollingwood Water System, Inc., Shelby, N.C.	W-428	8,188		64		1	
Rose Hill Assoc. Water Co., Greenville, N.C.	W-677			259	259	1	1
Ross, Sanford E., Waynesville, N.C.	W-618	905		28		1	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Routh & Hennis, Inc., Pleasant Garden, N.C.	W-497	$ 6,326	$	109		1	
Rozzelle, Fred D. Estate, Hickory, N.C.	W-202	6,091		184		10	
Ruff Water Company, Gastonia, N.C.	W-435	33,318		442		7	
Rush, Hurley B., High Point, N.C.	W-558	2,377		31		1	
Sanders Water Company, Charlotte, N.C.	W-532	2,012		45		1	
Sandhill Acres Investment Co., Inc., Candor, N.C.	W-479	5,026		41		1	
Scientific Water & Sewerage, Jacksonville, N.C.	W-176	44,717	59,126	507	507	3	3
Scotland Water Co., Laurinburg, N.C.	W-426	6,154		90		3	
Setzer Bros. Well Boring, Inc., Claremont, N.C.	W-360	4,744		81		3	
Shade Tree Acres Water System, Salisbury, N.C.	W-455	770		13		1	
Shamrock Water Corp., Conover, N.C.	W-432	4,353		56		1	
Sherwood Forest Water System, Monroe, N.C.	W-646	1,104		12		1	
Shiloh Water Co., Marietta, Ga.	W-619	1,140		20		1	
Sides & Hudgens, Kannapolis, N.C.	W-525	2,193		25		1	
Simco, Inc., Monroe, N.C.	W-356	1,732		35		1	
Skyland Drive Water System, Gastonia, N.C.	W-642	1,260		21		1	
Skyview Water System, Inc., Gastonia, N.C.	W-293	4,241		69		1	
Smawley, Elon, Morganton, N.C.	W-333	2,538		28		1	
Springdale Water Co., Canton, N.C.	W-406	3,313	3,313	36	16	1	1
Springdale Water Co., Inc., Concord, N.C.	W-164	25,963		198		3	
Springdale Water Co. of Raleigh, Raleigh, N.C.	W-241	44,188		296		1	
Spring Hill Water Corp., Laurinburg, N.C.	W-247	736		13		1	
Springs Mills, Inc., Laurel Hill, N.C.	W-650	1,514	1,234	35	31	1	1
Spring Valley Water System, Newton, N.C.	W-425	1,092		17		1	
Spring Water Co., Inc., Swansboro, N.C.	W-337	30,161		257		3	
Stanley, S.P., Whiteville, N.C.	W-639	1,121		14		1	
Stewart, Paul A., Gastonia, N.C.	W-414	4,137		94		2	
Stony Brook Estates Water System, Selma, N.C.	W-295	2,725		31		1	
Suburban Heights Water System, Wilson, N.C.	W-394	1,613		22		1	
Suburban Industries, Inc., Hickory, N.C.	W-381			130		1	
Suburban Utilities Co., Smithfield, N.C.	W-399	1,169		15		1	
Sugar Mountain Utility Co., Banner Elk, N.C.	W-482	55,655	42,168	434	372	2	2
Sunset Park Utilities, Inc., Fayetteville, N.C.	W-178	15,081	4,705	167	167	1	1
Superior Well Supply Co., Inc., Shelby, N.C.	W-524	7,063		80		1	
Surry Water Co., Inc., Mt. Airy, N.C.	W-314	63,718		697		22	
Sweet Water Mountain Land Co., Burnsville, N.C.	W-692						
TPG Utilities, Inc., Brevard, N.C.	W-675	4,516		34		1	
Tarlton Real Estate Corp., Conover, N.C.	W-657	303		16		1	
Tarlton, Charles D., Taylorsville, N.C.	W-318	1,046		17		1	
Tee Utilities, Inc., Knightdale, N.C.	W-673			153		6	
Timberlake, William J., Knightdale, N.C.	W-290					1	
Tobacco Branch Village, Inc., Bryson City, N.C.	W-504	385		12		1	
Touch & Flow Water Systems, Jacksonville, N.C.	W-201	15,588		140		5	
Transylvania Utility Co., Brevard, N.C.	W-378	189,481	106,583	3,096	1,810	1	1
Treasure Cove Water Co., Kinston, N.C.	W-445	9,201		112		1	
Trexler Water System, Gold Hill, N.C.	W-505	4,122		47		1	
Turner, T.H., Farms, Inc., Dunn, N.C.	W-687	1,113		15		1	
Umstead Water Co., Raleigh, N.C.	W-282	8,893		58		1	
Urban Water Co., Inc., Newton, N.C.	W-256	71,032		564		13	
Utility Systems, Ltd., Raleigh, N.C.	W-463	9,576	9,370	76	74	1	1
Valleydale Water Co., Gastonia, N.C.	W-272	3,736		42		1	
Vander Water Co., Inc., Fayetteville, N.C.	W-488	8,366		152		2	
Veterans Drive Community Water, Elon College, N.C.	W-118	1,625		30		1	
W & K Enterprises, Hickory, N.C.	W-611	288		5		1	
W.P.K.S. Utilities, Inc., Morehead City, N.C.	W-659		10,992		1		1
Waller, Louis C., M.D., Asheville, N.C.	S-001	1,755	9,361		49		1
Watauga Vista Water Corp., Miami, Fla.	W-447	3,112		71		1	
Waterco, Inc., Charlotte, N.C.	W-080						
Water, Inc., Fayetteville, N.C.	W-216	5,589		102		1	
Water Systems Corp., Raleigh, N.C.	W-681					1	
Weber Development Co., Linville, N.C.	W-589	540		9		1	
Wedgewood Lakes Utility Co., Inc., Moyock, N.C.	W-357	33,897		170		1	

FIGURE NO. 43 (Continued)

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1980

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Western Utilities Corp., Locust, N.C.	W-229	$ 423	$	8		4	
Westgate Utilities Co., Inc., Raleigh, N.C.	W-239	423		8		1	
Weston, W.A., Garner, N.C.	W-285	4,447		96		1	
Westport Water Works, Charlotte, N.C.	W-209	28,765		271		1	
White, Billy, Colerain, N.C.	W-600	250		12		1	
White Oak Community Water System, Shelby, N.C.	W-520	2,292		38		1	
Wilkes, Charles E. — Trustee, Fayetteville, N.C.	W-201	11,527	3,618	121	67	1	1
Willow Creek Builders, Inc., High Point, N.C.	W-387	6,220	5,260		26		1
Wilson, Mitchell B., Eden, N.C.	W-602	3,508		59		2	
Wilson Water Service, Oxford, N.C.	W-554	2,275		32		6	
Wilson Water Systems, Wilson, N.C.	W-698	9,917		92		1	
Wilson Woods Water, Matthews, N.C.	W-509			21		1	
Windsor Lake Water Co., Kinston, N.C.	W-523	3,850		45		1	
Woodstone Utilities, Inc., Knightdale, N.C.	W-629			49		1	
Woodvalley Utilities, Inc., Knightdale, N.C.	W-645			70		1	
Yadkin Water Corp., Jonesville, N.C.	W-585	1,728		24		3	
Yost, J.M., Salisbury, N.C.	W-514	770		12		1	
No. of Companies — 398		$7,324,115	$1,543,121	76,581	16,187	819	72

FIGURE NO. 44

SELECTED FINANCIAL AND STATISTICAL DATA OF 7 COMPANIES COMPRISING THE LARGEST WATER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1980

	Brookwood Water Corp.	Duke Power Co.	Heater Utilities	Lafayette Water Corp.	LaGrange Waterworks Corp.	Piedmont Const. & Water Co.	Quality Water Supplies, Inc.	Total—Water Utilities
Revenues and Expenses:								
Total Revenue	$ 293,909	$ 507,871	$ 356,514	$ 497,618	$ 201,631	$ 263,793	$ 153,383	$ 2,274,719
Operation & Maintenance Expenses	$ 181,115	$ 408,319	$ 252,316	$ 281,665	$ 118,967	$ 209,772	$ 127,074	$ 1,579,228
Depreciation & Amortization	52,190	84,910	23,333	108,866	34,508	27,933	20,178	351,918
Federal & State Income Taxes	(2,321)	-0-	3,111	29,635	7,933	-0-	1,980	40,338
Other Taxes	20,663	76,642	26,037	39,531	15,878	18,082	11,734	208,567
Total Operating Expenses	$ 251,647	$ 569,871	$ 304,797	$ 459,697	$ 177,286	$ 255,787	$ 160,966	$ 2,180,051
Net Operating Revenue	$ 42,262	$ (62,000)	$ 51,717	$ 37,921	$ 24,345	$ 8,006	$ (7,583)	$ 94,668
Operating Ratio	85.6%	112.2%	85.5%	92.4%	87.9%	97.0%	104.9%	95.8%
Other Income & Expenses (Includes Interest)	$ 36,825	$ -0-	$ 22,124	$ 10,609	$ 2,176	$ (14,277)	$ 158	$ 57,615
Net Income	$ 5,437	$ (62,000)	$ 29,593	$ 27,312	$ 22,169	$ 22,283	$ (7,741)	$ 37,053
Balance Sheet Items:								
Gross Plant in Service	$1,809,887	$4,466,197	$3,969,812	$2,779,276	$ 883,549	$ 370,359	$ 589,255	$14,868,335
Less: Depreciation Reserve	403,675	699,900	833,702	892,501	222,435	209,012	161,595	3,422,820
Net Plant in Service	$1,406,212	$3,766,297	$3,136,110	$1,886,775	$ 661,114	$ 161,347	$ 427,660	$11,445,515
Contributions in Aid of Construction*	$1,209,140	$ -0-	$ 303,190	$1,316,080	$ 431,634	$ -0-	$ 420,084	$3,680,128
Plant Acquisition Adjustment*	$ 80,594	$ -0-	$2,877,602	$ -0-	$ 49,491	$ -0-	$ -0-	$3,007,687
Statistics:								
Total Customers	3,710	3,846	2,335	5,668	2,011	1,696	1,309	20,575
Total Water Consumption (000's gallons)	314,107	1,145,218	168,279	510,806	164,736	69,949	122,459	2,495,554
Operation & Maint. Expense per Total Customer	$ 48.82	$ 106.17	$ 108.06	$ 49.69	$ 59.16	$ 123.69	$ 97.08	$ 76.75
Total Expense per Total Customer	$ 77.76	$ 148.17	$ 140.01	$ 82.98	$ 89.24	$ 142.40	$ 123.09	$ 108.76
Gross Plant Investment per Total Customer	$ 487.84	$ 1,161.26	$ 1,700.13	$ 490.35	$ 439.36	$ 218.37	$ 450.16	$ 722.64
Dep'n. Expense as % of Gross Plant	2.9%	1.9%	.6%	3.9%	3.9%	7.5%	3.4%	2.4%
Residential Revenue (Metered)	$ 272,164	$ 184,977	$ 345,212	$ 468,491	$ 196,933	$ 184,828	$ 149,899	$ 1,802,504
Residential Customers (Metered)	3,695	3,316	2,230	5,506	1,964	947	1,301	18,959
Residential Water Used (Metered) (000's gals)	314,107	206,332	168,279	489,255	162,033	63,618	120,011	1,523,635
Average Gallons Used per Residential Customer	85,009	62,223	75,461	88,859	82,502	67,178	92,245	80,365
Average Revenue per Residential Customer	$ 73.66	$ 55.78	$ 154.80	$ 85.09	$ 100.27	$ 195.17	$ 115.22	$ 95.07

* These amounts are included in the "Gross Plant in Service" account.
They are shown separately because they are usually excluded from the plant investment account for general rate-making purposes.

FIGURE NO. 45

SELECTED FINANCIAL AND STATISTICAL DATA OF 6 COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1980

	Carolina Water Service of N.C.	Cumberland Water Co., Inc.	Mercer Environmental Corp.	Montclair Water Co.	Pinehurst, Inc.	Transylvania Utility Co.	Total— Water/Sewer Utilities
Revenues and Expenses:							
Total Revenue	$ 482,910	$ 477,853	$ 231,175	$ 410,616	$ 417,223	$ 296,065	$ 2,315,842
Operation & Maintenance Expenses	$ 386,361	$ 425,659	$ 211,919	$ 343,975	$ 561,885	$ 277,770	$ 2,207,569
Depreciation & Amortization	56,716	132,762	35,304	56,337	153,632	827	435,578
Federal & State Income Taxes	-0-	29,283	-0-	-0-	-0-	-0-	29,283
Other Taxes	33,398	35,740	16,938	29,658	17,532	20,478	153,744
Total Operating Expenses	476,475	623,444	264,161	429,970	733,049	299,075	2,826,174
Net Operating Revenue	$ 6,435	$ (145,591)	$ (32,986)	$ (19,354)	$ (315,826)	$ (3,010)	$ (510,332)
Operating Ratio	98.7%	130.5%	114.3%	104.7%	175.7%	101.0%	122.0%
Other Income & Expenses (Includes Interest)	$ 42,336	$ (56,546)	$ 2,542	$ (3,830)	$ -0-	$ -0-	$ (15,498)
Net Income	$ (35,901)	$ (89,045)	$ (35,528)	$ (15,524)	$ (315,826)	$ (3,010)	$ (494,834)
Balance Sheet Items:							
Gross Plant in Service	$7,250,846	$3,024,287	$1,143,195	$1,792,555	$9,150,296	$ 61,047	$22,422,226
Less: Depreciation Reserve	713,354	1,180,269	228,958	597,379	1,338,161	2,923	4,061,044
Net Plant in Service	$6,537,492	$1,844,018	$ 914,237	$1,195,176	$7,812,135	$ 58,124	$18,361,182
Contributions in Aid of Construction*	$2,547,917	$1,962,608	$ 888,585	$1,820,022	$ -0-	$ 150,089	$ 7,369,221
Plant Acquisition Adjustment *	$ 659,869	$ -0-	$ 159,512	$ -0-	$ -0-	$ -0-	819,381
Statistics:							
Total Customers	6,319	5,591	1,974	5,413	2,455	4,916	26,668
Total Water Consumption (000's gallons)	297,713	353,798	88,677	245,349	206,000	N/A	1,191,537
Operation & Maint. Expense per Total Customer	$ 61.14	$ 76.13	$ 107.36	$ 63.55	$ 228.87	$ 56.50	$ 82,78
Total Expense per Total Customer	$ 82.10	$ 101.39	$ 135.11	$ 78.73	$ 298.59	$ 60.84	$ 105.40
Gross Plant Investment per Total Customer	$ 1,147.47	$ 540.92	$ 579.13	$ 331.16	$ 3,727.21	$ 12.42	$ 840.79
Dep'n. Expense as % of Gross Plant	.8%	4.4%	3.1%	3.1%	1.7%	1.4%	1.9%
Residential Revenue (Metered)	$ 362,049	$ 417,647	$ 133,404	$ 307,415	$ 243,708	$ N/A	$ 1,464,223
Residential Customers (Metered)	4,977	5,098	1,032	3,859	2,231	N/A	17,197
Residential Water Used (Metered) (000's gals)	297,713	318,512	88,677	210,000	118,000	N/A	1,032,902
Average Gallons Used per Residential Customer	59,818	62,478	85,927	54,418	52,891	N/A	60,063
Average Revenue per Residential Customer	$ 72.74	$ 81.92	$ 129.27	$ 79.66	$ 109.24	$ N/A	$ 85.14

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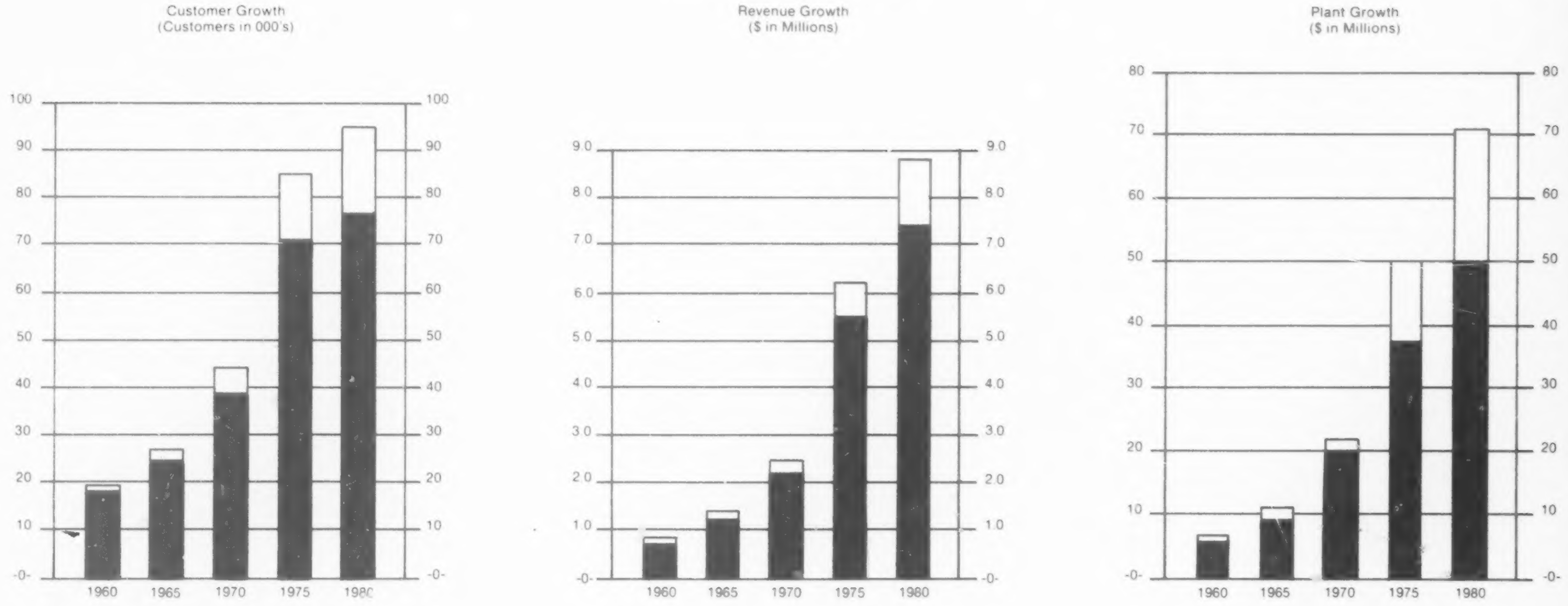
* These amounts are included in the "Gross Plant in Service" account.
They are shown separately because they are usually excluded from the plant investment account for general rate-making purposes.
N/A—Not Available

FIGURE NO. 46

CUSTOMER, REVENUE, AND PLANT GROWTH OF ALL REGULATED WATER & SEWER COMPANIES IN NORTH CAROLINA

FOR THE PERIOD 1960-1980



LEGEND

■ Water

□ Sewer

		1960	1965	1970	1975	1980
Water	Customers	19,300	24,030	38,700	71,000	76,581
	Revenues	734,000	1,260,100	2,223,700	5,600,000	7,324,000
	Plant	6,198,900	9,693,500	20,086,100	37,000,000	48,855,000
Sewer	Customers	600	2,470	5,300	13,000	16,187
	Revenues	22,800	129,500	244,900	600,000	1,543,000
	Plant	192,600	996,400	2,161,800	13,000,000	22,514,000
Number of Companies		94	117	158	349	398

FIGURE NO. 47

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER SERVICE IN NORTH CAROLINA AT DECEMBER 31, 1980

Nonregulated Systems

Publicly Owned Systems	Inside City Limits		
	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$5.84	$10.60	$15.36
Charlotte	1.68	3.36	5.04
Greensboro	2.68	5.12	7.56
Raleigh	2.55	5.10	7.64
Wilmington	2.88	5.36	7.84
Winston-Salem	2.24	4.48	6.72
Average	$2.98	$5.67	$8.36

Regulated Systems

Privately Owned Systems Regulated by Commission (Class "C" or Larger)	Inside Service Area		
	3,000 gal.	6,000 gal.	9,000 gal.
Highest Rate	$10.70	$17.30	$23.90
Lowest Rate	3.00	4.16	4.16
Average Rate (non weighted average)	5.83	8.70	11.66

FIGURE NO. 48

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL SEWER SERVICE IN NORTH CAROLINA AT DECEMBER 31, 1980

Nonregulated Systems

Publicly Owned Systems	Inside City Limits		
	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$1.28	$2.56	$3.84
Charlotte	2.36	4.72	7.08
Greensboro	1.64	3.28	4.92
Raleigh	2.55	5.10	7.64
Wilmington	3.52	6.48	9.44
Winston-Salem	2.24	4.48	6.72
Average	$2.27	$4.44	$6.61

Regulated Systems

Privately Owned Systems Regulated by Commission (Class "C" or Larger)	Inside Service Area		
	3,000 gal.	6,000 gal.	9,000 gal.
Highest Rate	$15.00	$15.40	$20.00
Lowest Rate	3.00	6.00	8.50
Average Rate (non weighted average)	8.92	9.36	11.18

VIII. Securities, Audits, And Annual Reports

SECURITIES, AUDITS, AND ANNUAL REPORTS

A. SECURITIES ISSUES — COMMENTS

The Commissioners approved 24 applications for the issuance of electric, gas, telephone, and other securities and borrowings during 1980, compared to 23 in 1979 and 18 in 1978. The 1980 applications covered securities totaling $1,165,396,000, compared to $1,104,975,000 in 1979 and $632,932,000 in 1978.

The securities applications are processed by personnel in the Finance, Statistics, Budget, & Planning Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors, such as: (1) the present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) expense of the issue, (4) estimated net yield, (5) probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

The new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely in utility plant expansion and modernization and improvement of existing plant to meet increased demands for additional and improved service. Figure No. 49 shows detailed data for each securities issue approved by the Commissioners in 1979 and 1980.

B. AUDITS AND EXAMINATIONS — COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive field audits of the operations of public utilities. The results of each of these audits, and where applicable, the recommendation for action, are a part of the Public Staff's position on matters before the Commission and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1979 and 1980 follows:

Utility and Type Audit	Number of Examinations	
	1979	1980
Electric:	3	2
Gas:		
General Rate Cases & Earnings Investigations	2	3
Increased Cost of Purchased Gas, Exploration Surcharges, and Emergency Gas Curtailments	15	14
Telephone	7	4
Water and Sewer	22	36
Motor Freight and Motor Passenger: Operating Ratios & Tariffs	49	50
TOTAL	98	109

C. ANNUAL REPORTS — COMMENTS

For the years 1979 and 1980, there were 1,325 and 1,345 utilities, respectively, required to file annual reports of their operations with the Commission. This number includes 81 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems annual reports required to be filed with the Commission are prepared on forms furnished them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail for compliance with the Uniform System of Accounts.

FIGURE NO. 49

SECURITIES ISSUES — NEW CAPITAL (Primarily) For the Calendar Year 1979
Amount Authorized for Total Company Operations ($ Amount and No. Shares in 000's)

Name of Company	Docket No.	Date of Order	Total Amount		Stated Interest Rate	Yield at Offering	Type Security or Transaction				Common & Preferred Stock Data			
			Face Value	Net to Company			Bonds & Debentures	Bond Rating	How* Sold	No. of Shares Sold	Common Stock	Preferred Stock	Leases, Sales & Leasebacks	REA Notes Advances and Other Items
ELECTRIC:														
Carolina Power & Light Co.	E-2, Sub 353	2-21-79	$ 50,000(A)	$ 50,000	Based on Comm Paper Rate								$50,000	
	E-2, Sub 356	4-30-79	15,000	15,000	10.0%				P	1,000				15,000 (B)
	E-2, Sub 357	5-17-79	(C)								(C)			
	E-2, Sub 358	5-17-79	125,000	124,933	10½%	10.560%	$125,000		C					
	E-2, Sub 363	7-3-79	50,000(D)	50,000	(1⅛% above "Purlease" Comm Paper Rate)								50,000	
	E-2, Sub 369	8-22-79	50,000	50,000	8.75%	8.770%			P	500		$50,000		
	E-2, Sub 375	10-30-79	63,000	63,000	8.00%	8.000%	63,000(E)							
	E-2, Sub 379	10-30-79	100,000	100,000	12¼%		100,000		N	5,500				
Duke Power Co.	E-7, Sub 263	2-28-79	107,250	103,941	19.500SH				N		$107,250			
	E-7, Sub 272	6-8-79	150,000	147,938	10.125%	10.270%	150,000		N	500				
			50,000	50,000	8.84%	8.940%						50,000		
	E-7, Sub 273	7-3-79	75,000(F)	75,000	(⅜% above Highest Grade Comm. Paper)								75,000	
	E-7, Sub 278	9-20-79	150,000	148,365	10.875%	10.999%	150,000		C	2,500				
	E-7, Sub 279	10-3-79	(G)								(G)			
Total			$ 985,250	$ 978,177			$588,000				$107,250	$100,000	$175,000	$150,000
GAS:														
Piedmont Natural Gas. Co., Inc.	E-9, Sub 196	12-19-79	(H)							247,679(actual)	(H)			
TELEPHONE:														
Central Telephone Co.	P-10, Sub 384-Ltr.	3-12-79	$ 5,800	$ 5,800						N. Appl. (I)	$ 5,800			
	P-10, Sub 385-Ltr.	6-1-79	21,800	21,800						N. Appl. (I)	21,800			
	P-10, Sub 387-Ltr.	9-17-79	16,450	16,450						N. Appl. (I)	16,450			
	P-10, Sub 389-Ltr.	12-17-79	25,700	25,700						N. Appl. (I)	25,700			
Continental Tel. Co. of Va.	P-28, Sub 29	9-25-79	10,000	10,000	9⅞%		$ 10,000		P					
General Tel. Co. of Southeast	P-19, Sub 173	5-9-79	20,000	20,000	10.0%				P					$20,000 (J)
	P-19, Sub 174	8-9-79	10,000	10,000						400	10,000(K)			
Heins Telephone Co.	P-26, Sub 82	9-17-79	5,250	5,250	8.0%				N					5,250 (L)
Mid-Carolina Tel. Co.	P-118, Sub 13	5-10-79	4,725	4,725	6½%		4,725(M)		N					
Total			$ 119,725	$ 119,725			$ 14,725				$ 79,750			$25,250
GRAND TOTALS			$1,104,975	$1,097,902			$602,725				$187,000	$100,000	$175,000	$40,250

*C: Competitive Bidding, N: Negotiated, P: Private Placement
(A) Nuclear Fuel Trust Financing — Sale and repurchase of nuclear fuel.
(B) 42-month, 10% loan from Wachovia Bank and Trust Company.
(C) Dividend Reinvestment Plan.
(D) Nuclear Material Lease and Security Agreement with Pru-Lease, Inc.
(E) First-Mortgage Bonds, Pollution Control Series A, due at various dates — Person County Industrial Facilities and Pollution Control Financing Authority.
(F) Nuclear FuelTrust Financing arrangement.
(G) Stock Purchase-Savings Program for Employees.
(H) Issuance of common stock to effect a 10% stock dividend.
(I) Convert construction advances made by Central Telephone & Utilities Corp. into common equity of its wholly owned subsidiary, Central Telephone Co.
(J) Promissory note to Wachovia Bank and Trust Co., 3 years, 10% interest.
(K) Authority to sell 400,000 shares common stock to parent, General Telephone and Electronics Corp. for $10,000,000.
(L) Issue note or notes, payable to Rural Telephone Bank, for $5,250,000, 8% interest, repayable within 35 years in quarter-annual installments.
(M) Issue $4,725,000 of RTB First Mortgage Bonds and sell to Rural Telephone Bank.

FIGURE NO. 49 (Continued)

SECURITIES ISSUES — NEW CAPITAL (Primarily) For the Calendar Year 1980
Amount Authorized for Total Company Operations ($ Amount and No. Shares in 000's)

			Total Amount			Type Security or Transaction					Common & Preferred Stock Data			
Name of Company	Docket No.	Date of Order	Face Value	Net to Company	Stated Interest Rate	Yield at Offering	Bonds & Debentures	Bond Rating	How* Sold	No. of Shares Sold	Common Stock	Preferred Stock	Leases, Sales & Leasebacks	REA Notes Advances and Other Items
ELECTRIC:														
Carolina Power & Light Co.	E-2, Sub 382	1-31-80	$ 75,937	$ 73,417	$16.875 SH					4,500	$73,417			
	E-2, Sub 386	2-13-80	18,000	18,000	9.250%					180		$ 18,000		
	E-2, Sub 389	4-11-80	125,000	123,750	14.125%	14.16%	$125,000	A	N					
	E-2, Sub 392	5-22-80	45,000	45,000	Floating rate— Tied to Prime				P					
	E-2, Sub 397	9-3-80	50,000	49,123	7.250%	7¼%	50,000(B)	A	N					
		9-3-80	6,000	5,872	7.250%	7¼%	6,000(C)	A	N					
		9-3-80	1,000	1,000				BAA						$1,000 (D)
	E-2, Sub 399	8-29-80	40,000	39,600	11.160%	11.16%		A	N	400		40,000		
		8-29-80	17,500	17,500		9.00 SH			P	175		17,500		
	E-2, Sub 403	10-22-80	73,000	73,000	$18.250 SH	12.27 SH			N	4,000	4,000			
	E-2, Sub 405	12-9-80	125,000(A)	125,000	Floating Rate or U.S. Prime Rate				P					
Duke Power Co.	E-7, Sub 288	2-8-80	50,000	49,315	11.000%	11.0%			N	500		50,000		
	E-7, Sub 290	3-10-80	100,000(30 yrs)	98,625	14.875%	14.95%	100,000	A	N					
		3-10-80	50,000(7 yrs)	49,625	14.375%	14.375%	50,000	A	N					
	E-7, Sub 298	8-14-80	75,000(10 yrs)	73,987	12.000%	12.07%	75,000	A	N					
		8-14-80	50,000(30 yrs)	49,438	13.800%	13.16%	50,000	A	N					
		8-14-80	69,500	67,180	$17.375 SH				N	4,000	69,500			
Total			$ 970,937	$ 959,432			$456,000				$146,917	$125,500		$1,000
GAS:														
Piedmont Natural Gas. Co., Inc.	G-9, Sub 199	5-14-80	(E)							75,000(actual)	(E)			
	G-9, Sub 201	7-1-80	$ 8,250	$ 7,887	$20.625 SH				N	400,000(actual)	$8,250			
Public Service Co. of N.C.	G-5, Sub 156	4-22-80	(F)							200,000(actual)	(F)			
Total			$ 8,250	$ 7,887							$8,250			
TELEPHONE:														
Carolina Tel. & Tel. Co.	P-7, Sub 651	4-24-80	$ 50,000(30 yrs)	$49,374	12.70%		$ 50,000		N	AA				
Central Telephone Co.	P-10, Sub 391-Ltr.	3-11-80	5,400	5,400						N. Appl. (H)	5,400			
	P-10, Sub 393	5-5-80	25,000(25 yrs)	25,000	12.375%	12.375%	25,000		P					
	P-10, Sub 399-Ltr.	12-15-80	16,600	16,600						N. Appl. (H)	16,600			
Concord Telephone Co.	P-16, Sub 141	6-13-80	509	509	$ 95.00 SH				P		509			
Continental Tel. Co. of Va.	P-28, Sub 31	4-15-80	7,500(20 yrs)	7,500	12.50%	12.50 %	7,500		P					
	P-28, Sub 32	9-24-80	15,000	15,000	12.75%		15,000		P					
General Tel. Co. of Southeast	P-19, Sub 178	3-5-80	20,000	20,000	$ 25.00 SH					800	$20,000(G)			
		3-5-80	40,000(7 yrs)	39,490	$ 14.50 SH	$14.50 SH		A	C					
Mid-Carolina Tel. Co.	P-118, Sub 16-Ltr.	6-9-80	5,000	5,000			40,000			N. Appl. (H)	5,000			
Total			$ 185,009	$ 183,873			$137,500				$47,509			
OTHER:														
Laurinburg & Southern Railroad Co.	R-2, Sub 2	5-29-80	$ 1,200	$ 1,200	Floating Rate Tied to Prime				P					$1,200 (I)
GRAND TOTALS			$1,165,396	$1,152,392			$593,500				$202,676	$125,500		$2,200

*C: Competitive Bidding; N: Negotiated; P: Private Investment
(A) 7 year loan agreement — European banks.
(B) First Mortgage Bonds, Pollution Control Series B, tax exempt.
(C) First Mortgage Bonds, Pollution Control Series C, tax exempt.
(D) Unsecured Loan, Private Placement.

(E) Issuance of 75,000 shares common stock for ESOP, to be sold as needed
(F) Issuance of 200,000 shares common stock for Divident Reinvestment Plan, to be sold as needed
(G) 800,000 shares common stock sold to parent company at $25.00 per share
(H) Convert construction advances made by Central Telephone and Utilities Corp. into common equity of its wholly owned subsidiary, Central Telephone Co.
(I) Seven (7) year Promissory Note to Greycas, Inc., interest at floating rate tied to U.S. prime rate

IX. The Transportation Industry - Motor Freight Carriers

A. GENERAL COMMENTS

Motor freight carriers are divided into three groups according to average operating revenue. The history of motor freight carriers' size classification is as follows:

Period & Source	Gross Operating Revenues Class I	Class II	Class III
1963-1969 R-2-48 (1963)	$1,000,000 or more	$200,000-$1,000,000	$200,000 or under
1970-1973 M-100, Sub 25 (9-15-69)	$1,000,000 or more	$300,000-$1,000,000	$300,000 or under
1974-1979 M-100, Sub 53 (5-24-75)	$3,000,000 or more	$500,000-$3,000,000	$500,000 or under
1980- M-100, Sub 68 (2-5-82)	$5,000,000 or more	$1,000,000-$5,000,000	$1,000,000 or under

The Class I and II carriers generally transport both intrastate and interstate freight while the Class III carriers predominantly operate only in intrastate commerce.

There were 705 regulated motor freight carriers as of December 31, 1980, as compared to 680 in 1979 and 648 in 1978. The 79 Class I carriers and 85 Class II carriers accounted for approximately 95% of the total motor freight revenues generated in North Carolina in 1980.

The Commission issues certificates of exemption to motor carriers engaged in the transportation of commodities exempt from economic regulation, either by statute or by administrative ruling of the Commission. Certificates of exemption are also issued to persons who own equipment for the purpose of leasing it. These exemption certificates are issued pursuant to the requirements of G.S. 62-266 and Article 2 of the Commission's Motor Carrier Rules and Regulations.

There were 7,358 outstanding exemption certificates as of December 31, 1979, and 8,003 as of December 31, 1980, an increase of 645.

B. DUTIES OF THE TRAFFIC — TRANSPORTATION DIVISION

Intrastate

The Commission Staff Transportation Division is charged with the economic and safety regulation of all certified motor freight carriers operating within the borders of the State. In addition, all motor freight carriers transporting commodities classified as exempt by the Commission are subject to the Commission's Motor Carrier Safety Regulations.

This division administers and enforces the Commission's insurance requirements applicable to all for-hire motor carriers except the intrastate exempt freight carriers. The insurance requirements for this latter segment of the industry are administered and enforced by the North Carolina Department of Motor Vehicles. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division. Also, all complaints relating to the quality of freight service, or the lack of it, are investigated by this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition, the Public Staff reviews all applications for changes in territory or conditions of service, including new service applications and applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented rate-making rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost studies is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public to assist in dealing with transportation matters and investigates consumer complaints involving any regulated transportation utility company.

Motor carriers are required to register all tractors and trailers with the Commission Staff Transportation Division annually. If the motor carrier is in full compliance with this Commission's insurance requirements and other regulations, certification is then made to the North Carolina Department of Motor Vehicles that the carrier is eligible to purchase license plates for the registered vehicles. During the year 1980, approximately 43,716 tractors and trailers were registered with this Division of the Commission.

Interstate

The regulations of this Commission require that all for hire motor carriers in interstate commerce over the highways of this State register their authority with this Commission that the vehicles of such carriers be registered with this Commission annually, and that the vehicles be identified with a North Carolina Utilities Commission identification stamp on a uniform cab card when operating in this State.

At December 31, 1980, approximately 9,637 interstate motor carriers were registered with this Commission. During the year, approximately 240,047 interstate vehicles operated by these carriers were registered, and a like number of North Carolina identification stamps were issued.

The interstate carriers are subject to the same insurance requirements as are the intrastate motor carriers. Also, all interstate for-hire carriers are subject to the Motor Carrier Safety Regulations of the Commission.

C. Commission Activities

During 1979, a total of 106 or 39.4% of the Commission's 269 formal hearings were related to the trucking industry; for 1980, the number of truck hearings decreased to 96 and represented 45.5% of the 211 formal hearings.

A major reason for the decline in formal hearings in 1980 was that the Commission settled several tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions. During these sessions, if there were no protests and the need for the requested changes were either sanctioned by or undisputed by either staff, they were allowed to become effective without holding a formal hearing as in the past.

While many of the hearings and work of the Commission related to the trucking industry revolves around requests for new certificates, transfers, and sales and mergers of certificates, the net results of these activities leave the total number of franchises and permits virtually unchanged. The following tabulation by type of motor carrier is illustrative:

Type	1970	1975	1978	1979	1980
Common	530	524	532	539	555
Contract	72	86	89	115	120
Common & Contract	22	21	22	21	25
Railroad Motor	5	5	5	5	5
	629	636	648	680	705

"Common carrier by motor vehicle" means any person which holds itself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property or any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person which, under an individual contract or agreement with another person and with such additional persons as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

A list of the Class I and II motor freight carriers, with selected operating financial data, is shown in Figure Nos. 50 and 51. Date for the Class III motor freight carriers is listed in Figure Nos. 52, 53, and 54.

There were 541 Class III Motor Carriers certificated as of December 31, 1980; however, useful data for many of the Class III carriers is not available and in many instances is non-existent. Therefore, the list for 1979 and 1980 contains data for 413 of the 541 carriers.

A summary of selected data for the Class I and Class II carriers for the calendar years 1979 and 1980 is shown in Figure No. 55. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers (1.3% in 1979 and 1.7% in 1980). Reports for years prior to 1979 have shown total North Carolina revenues to be about 8 to 10% of total system-wide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

The number of carriers in each classification changes each year because of the companies growth in revenues and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Therefore, the use of the data for comparative purposes must be used with discretion.

FIGURE NO. 50

MOTOR FREIGHT CARRIERS — CLASS I
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(DOLLARS in 000's)

					Total Company Operations						N.C. Employee Data for Total Operations			
	North Carolina Regulated Revenues		Total Revenues		Total Expenses		Net Operating Revenues		Operating Ratios		Avg. No. of Employees		Total Salaries Paid	
Mobile Home Movers:	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Barrett Mobile Home Transport, Inc.	$ -0-	$ -0-	$ 9,376	$ N/A	$ 7,285	$ N/A	$ 2,091	$ N/A	77.7%	N/A%	-0-	-0-	$ -0-	$ -0-
Morgan Drive-Away, Inc.	136	84	34,008	30,117	32,427	29,132	1,581	985	95.4	96.7	8	8	62	68
Transit Homes, Inc.	48	36	7,307	6,426	7,227	6,537	80	(111)	98.9	101.7	-0-	-0-	-0-	-0-
Total (3 Carriers)	$ 184	$ 120	$ 50,691	$ 36,543	$ 46,939	$ 35,669	$ 3,752	$ 874	92.6	97.6	8	8	62	$ 68
Household Goods Movers:														
Burnham Van Service, Inc.	$ 283	$ 563	$ 34,300	$ 42,127	$ 30,952	$ 37,249	$ 3,348	$ 4,878	90.2%	88.4%	35	59	$ 547	$ N/A
Fernstrom Storage & Van Co.	N/A	100	12,116	13,452	12,395	14,131	(279)	(679)	102.3	105.0	N/A	17	N/A	303
Total (2 Carriers)	$ 283	$ 663	$ 46,416	$ 55,579	$ 43,347	$ 51,380	$ 3,069	$ 4,199	93.4	92.4	35	76	547	$ 303
General Commodities Carriers:														
Arkansas-Best Freight System, Inc.	$ 3,554	$10,820	$ 229,096	$ 262,593	$ 235,229	$ 251,258	$ (6,133)	$ 11,335	102.7%	95.7%	261	237	$ 6,263	$ 6,296
Associated Petroleum Carriers, Inc.	3,446	4,698	27,216	28,296	26,545	27,992	671	304	97.5	98.9	-0-	-0-	-0-	-0-
B&L Motor Freight, Inc.	-0-	-0-	39,670	39,876	42,022	40,240	(2,352)	(364)	105.9	100.9	-0-	-0-	-0-	-0-
B&P Motor Lines, Inc.	-0-	-0-	6,892	6,912	6,825	6,811	67	101	99.0	98.5	35	34	521	552
Billings Tansfer Corp, Inc.	128	131	10,178	10,222	9,024	9,544	1,154	678	88.7	93.4	201	190	3,414	3,486
Blue Ridge Transfer Co., Inc.	X	N/A	X	23,665	X	22,431	X	1,234	X	94.8	X	N/A	X	N/A
Boone, A.G, Co., The	4,982	4,470	9,102	7,933	8,935	7,468	167	465	98.2	94.1	172	164	3,405	3,313
Brown Transport Corp.	-0-	-0-	101,525	123,509	93,958	111,585	7,567	11,924	92.5	90.3	120	136	2,325	3,068
Builders Transport, Inc.	817	1,224	25,374	34,777	22,671	30,255	2,703	4,522	89.3	87.0	81	118	1,440	2,172
Burton Lines, Inc.	1,041	1,073	7,877	8,810	7,500	8,244	377	566	95.2	93.6	99	115	1,289	1,456
Byrd Motor Lines, Inc.	-0-	-0-	5,633	5,378	5,310	5,203	323	175	94.3	96.7	126	121	1,898	1,793
Carolina Freight Carriers Corp.	648	625	215,743	237,604	206,072	225,482	9,671	12,122	95.5	94.9	2,003	2,045	46,699	52,708
Central Transport, Inc.	2,418	2,609	21,488	23,711	18,054	20,015	3,434	3,696	84.0	84.4	191	199	2,973	3,437
Chemical Leaman Tank Lines, Inc.	460	649	173,974	163,446	174,455	164,802	(481)	(1,356)	100.3	100.8	78	77	1,523	1,815
Coast Refrigerated Trucking Co., Inc.	480	612	7,526	9,100	7,102	8,536	424	564	94.4	93.8	37	39	603	630
Colonial Motor Freight Line, Inc.	940	1,279	12,271	12,298	11,092	11,020	1,179	1,278	90.4	89.6	180	196	2,982	2,951
Consolidated Freightways Corp. of Del.	31	28	849,437	936,354	786,132	859,333	63,305	77,021	92.5	91.8	354	396	8,038	10,346
Cresco Lines, Inc.	-0-	-0-	7,839	12,170	7,693	11,836	146	334	98.1	97.3	-0-	-0-	-0-	-0-
Crete Carrier Corporation	-0-	-0-	31,250	43,723	29,244	40,854	2,006	2,869	93.6	93.4	-0-	-0-	-0-	-0-
DeHart Motor Lines, Inc.	973	N/R	4,878	N/R	4,801	N/R	77	N/R	98.4	N/R	147	N/R	1,378	N/R
DeWitt, L.G., Inc.	N/A	N/A	10,186	10,649	10,362	10,421	(176)	228	101.7	97.9	230	255	2,678	2,765
Epes Transport System, Inc.	1,007	1,224	11,014	11,659	10,333	10,957	681	702	93.8	94.0	142	125	2,322	2,186
Estes Express Lines, Inc.	9,667	9,969	36,426	38,588	32,843	35,685	3,583	2,903	90.2	92.5	678	644	10,476	11,265
Fleet Transport Co., Inc.	881	1,146	33,217	33,502	31,343	32,194	1,874	1,308	94.4	96.1	20	20	281	299
Fredrickson Motor Express Corp.	N/A	13,976	18,829	21,880	17,079	19,973	1,750	1,907	90.7	91.3	N/A	652	N/A	11,602
Guignard Freight Lines, Inc.	104	84	7,075	6,257	6,645	5,931	430	326	93.9	94.8	89	98	1,257	1,240
Gypsum Haulage, Inc.	N/A	N/A	12,877	12,618	12,041	10,638	836	1,980	93.5	84.3	N/A	N/A	N/A	N/A
H&W Trucking Co., Inc.	-0-	-0-	4,118	5,068	3,816	4,526	302	542	92.7	89.3	65	75	797	997
Herman Bros., Inc.	X	-0-	X	20,589	X	19,505	X	1,084	X	94.7	X	-0-	X	-0-
Holly Farms Poultry Industries	232	N/A	11,624	13,968	12,279	15,069	(655)	(1,101)	105.6	107.9	118	150	1,946	3,060
Home Transportation Co., Inc.	N/A	N/A	42,210	40,951	39,630	39,594	2,580	1,357	93.9	96.7	N/A	N/A	N/A	N/A
Indianhead Truck Lines, Inc.	-0-	N/R	34,232	N/R	33,431	N/R	801	N/R	97.7	N/R	-0-	-0-	-0-	-0-
Infinger Transportation Co., Inc.	N/A	581	6,208	6,824	5,925	6,561	283	263	95.4	96.1	N/A	21	N/A	285

FIGURE NO. 50 (Continued)

MOTOR FREIGHT CARRIERS — CLASS I CONTINUED
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(DOLLARS in 000's)

	North Carolina Regulated Revenues		Total Revenues		Total Company Operations						N.C. Employee Data for Total Operations			
					Total Expenses		Net Operating Revenues		Operating Ratios		Avg. No. of Employees		Total Salaries Paid	
General Commodities Carriers:	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
J&M Transportation Co., Inc.	$ N/A	$ N/A	$ 29,424	$ 28,851	$ 28,566	$ 28,847	$ 858	$ 4	97.1%	100.0%	N/A	1	$ N/A	$ 4
Jefferson Trucking Co.	2	2	9,804	10,466	9,166	9,661	638	805	93.5	92.3	-0-	-0-	-0-	-0-
Johnson Motor Lines, Inc.	53	N/R	94,578	N/R	96,661	N/R	(2,083)	N/R	102.2	N/R	1,006	N/R	21,978	N/R
Johnson, Bruce, Trucking Co., Inc.	2,707	2,842	13,206	14,334	12,825	14,104	381	230	97.1	98.4	252	267	4,287	4,653
Kenan Transport Co., Inc.	5,081	N/A	12,232	13,101	11,130	12,053	1,102	1,048	91.0	92.0	183	N/A	3,231	N/A
Kenosha Auto Transport Corp.	82	78	46,092	42,355	46,096	41,799	(4)	556	100.0	98.7	-0-	-0-	-0-	-0-
Laney Tank Lines, Inc.	211	240	7,987	8,861	6,768	7,744	1,219	1,117	84.7	87.4	43	48	701	759
Langer Transport Corp.	-0-	-0-	7,527	7,720	7,109	7,340	418	380	94.4	95.1	-0-	-0-	-0-	-0-
McClendon, Glen, Trucking Co., Inc.	3,173	46	24,241	24,822	23,012	23,728	1,229	1,094	94.9	95.6	60	23	248	345
McLean Trucking Co.	339	249	540,144	590,487	544,801	588,848	(4,657)	1,639	100.9	99.7	2,096	1,847	39,226	38,884
Marva Trucking	N/A	N/A	177	59	174	60	3	(1)	98.3	101.7	N/A	N/A	N/A	N/A
Mason & Dixon Lines, Inc., The	N/A	N/A	184,079	176,823	181,053	174,194	3,026	2,629	98.4	98.5	176	264	3,042	3,935
Merchants Home Delivery Service, Inc.	-0-	-0-	17,541	18,673	15,112	16,947	2,429	1,726	86.2	90.8	-0-	-0-	-0-	-0-
Mitchell Transport, Inc.	213	220	33,433	29,834	30,291	26,275	3,142	3,559	90.6	88.1	8	8	96	107
Moss Trucking Co., Inc.	283	357	11,420	12,448	11,195	11,924	225	524	98.0	95.8	148	148	2,920	2,902
Motor Convoy, Inc., The	9,968	4,243	35,223	41,378	35,504	41,866	(281)	(488)	100.8	101.2	160	90	3,210	1,639
Murrow's Transfer, Inc.	351	586	8,241	7,203	7,844	7,054	397	149	95.2	97.9	143	130	1,932	1,919
National Freight, Inc.	64	47	64,455	74,011	63,821	73,993	634	18	99.0	100.0	5	5	80	97
National Refrigerated Transport, Inc.	-0-	-0-	8,749	7,329	8,703	8,156	46	(627)	99.5	111.3	N/A	8	N/A	41
National Trailer Convoy, Inc.	11	14	32,932	35,540	32,875	36,680	57	(1,140)	99.8	103.2	3	3	11	13
O'Boyle Tank Lines, Inc.	-0-	-0-	26,107	22,423	25,803	21,923	304	500	98.8	97.8	-0-	-0-	-0-	-0-
Old Dominion Freight Line, Inc.	2,028	2,210	60,007	66,817	55,317	61,078	4,690	5,739	92.2	91.4	838	799	12,954	14,015
Overnite Trasnportation Co.	N/A	10,607	229,145	241,934	196,358	208,130	32,787	33,804	85.7	86.0	N/A	1,239	N/A	22,874
Pony Express Courier Corp.	N/R	4,813	N/R	13,054	N/R	12,368	N/R	686	N/R	94.7	N/R	118	N/R	1,743
Purolator Courier Corp.	N/A	-0-	155,922	235,985	146,133	226,191	9,789	9,794	93.7	95.8	118	117	1,061	1,331
Redwing Carriers, Inc.	-0-	-0-	23,544	25,252	22,856	24,473	688	779	97.1	96.9	-0-	N/A	-0-	N/A
Russell Transfer, Inc.	336	1,018	10,068	10,940	9,449	10,151	619	789	93.9	92.8	21	33	87	464
Schwerman Trucking Co.	960	802	98,033	84,787	95,699	82,107	2,334	2,680	97.6	96.8	30	25	444	355
Seacoast Transportation Co.	-0-	-0-	5,410	6,081	5,727	5,841	(317)	240	105.9	96.1	-0-	-0-	-0-	-0-
Senn Trucking Co.	-0-	-0-	13,478	12,240	12,887	11,568	591	672	95.6	94.5	-0-	-0-	-0-	-0-
Signal Delivery Service, Inc.	8,160	8,219	179,327	188,462	167,499	177,432	11,828	11,030	93.4	94.1	124	120	3,221	3,374
Stegall, T.G. Co.														
Standard Trucking Co.	6,850	6,823	26,326	27,513	23,847	25,123	2,479	2,390	90.6	91.3	540	552	9,061	9,161
Superior Trucking Co., Inc.	-0-	-0-	29,064	31,452	27,584	28,318	1,480	3,134	94.9	90.0	-0-	-0-	-0-	-0-
Textile Motor Freight Inc.	-0-	-0-	4,976	5,186	4,854	5,236	122	(50)	97.5	101.0	68	69	856	872
Thurston Motor Lines, Inc.	5,512	6,965	85,902	87,316	85,722	86,833	180	483	99.8	99.4	1,134	1,165	21,356	20,870
United Parcel Service, Inc.	14,933	17,206	2,321,633	2,789,834	2,205,195	2,534,292	116,438	255,542	95.0	90.8	2,136	1,596	45,725	55,884
Vance Trucking Co., Inc.	324	284	5,984	6,356	5,762	6,123	222	233	96.3	96.3	82	79	1,114	1,146
Watkins Motor Lines, Inc.	707	796	81,761	95,152	77,010	89,376	4,751	5,776	94.2	93.9	83	97	1,526	1,748
Wilson Freight Co.	N/A	N/R	165,123	N/R	171,632	N/R	(6,509)	N/R	103.9	N/R	59	N/R	1,371	N/R
Wilson Trucking Corp.	N/A	187	31,148	33,496	27,541	30,231	3,607	3,265	88.4	90.3	N/A	106	N/A	1,941
Total (74 Carriers)	$94,157	$124,052	$6,749,428	$7,341,505	$6,457,972	$6,852,030	$291,456	$489,475	95.7	93.3	14,943	15,064	$284,246	$318,798
Grand Totals (79 Carriers-Class I)	$94,624	$124,835	$6,846,535	$7,433,627	$6,548,258	$6,939,079	$298,277	$494,548	95.6	93.3	14,986	15,148	$284,855	$319,169

X — Began operations in 1980.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 51

MOTOR FREIGHT CARRIERS — CLASS II
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(DOLLARS in 000's)

	North Carolina Regulated Revenues		Total Revenues		Total Company Operations Total Expenses		Net Operating Revenues		Operating Ratios		N.C. Employee Data for Total Operations Avg. No. of Employees		Total Salaries Paid	
Mobile Home Movers	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Barrett Mobile Home Transport, Inc.	$ 4	$ 1	$9,376	$ 7,285	$ 9,139	$7,362	$237	$(77)	97.5	101.1	-0-	-0-	$ -0-	$ -0-
Winston Carriers, Inc.	41	45	3,496	3,004	2,825	2,484	671	520	80.8	82.7	-0-	-0-	-0-	-0-
Totals (2 Carriers)	45	46	12,872	10,289	11,964	9,846	908	443	92.9	95.7	-0-	-0-	-0-	-0-
Household Goods Movers														
Airway Moving & Storage Inc.	39	105	1,180	1,283	1,119	1,252	61	31	94.8	97.6	38	39	339	376
Lawrence Transfer and Storage Corp.	139	43	4,994	6,130	5,630	6,713	(636)	(583)	112.7	109.5	31	33	342	418
Tatum - Dalton Transfer Co.	165	169	1,248	1,251	1,327	1,297	(79)	(46)	106.3	103.7	40	40	767	758
Washburn Storage Co.	19	16	1,857	2,531	1,738	2,371	119	160	93.6	93.7	N/A	21	N/A	140
Totals (4 Carriers)	362	333	9,279	11,195	9,814	11,633	(535)	(438)	105.8	103.9	109	133	1,448	1,692
General Commodities Carriers														
Anderson Truck Lines, Inc.	-0-	-0-	3,070	3,538	2,866	3,365	204	173	93.4	95.1	103	111	1,295	1,449
Barnett Truck Line, Inc.	107	183	1,130	1,238	1,075	1,190	55	48	95.1	96.1	32	27	272	307
Billings Trucking Corp.	57	44	1,725	1,714	1,850	1,840	(125)	(126)	107.3	107.4	63	59	707	654
Bio-Med-Hu, Inc.	-0-	-0-	2,633	3,314	2,776	3,447	(143)	(133)	105.4	104.0	1	3	7	36
Blue Ridge Trucking Co., Inc.	N/R	3,413	3,247	3,413	3,200	3,366	47	47	98.6	98.6	N/R	90	N/R	1,601
Cargocare Transportation Co. Inc.	340	509	1,523	1,872	1,470	1,808	53	64	96.5	96.6	6	6	82	94
Carolina Carriers, Inc.	791	1,060	1,136	1,060	1,096	1,052	40	8	96.5	99.2	21	18	260	224
Carroll's Transfer, Inc.	80	86	2,292	2,515	2,178	2,531	114	(16)	95.0	100.6	43	45	567	608
Clarkson Brothers Machinery Haulers, Inc.	36	81	1,547	1,374	1,454	1,441	93	(67)	94.0	104.9	-0-	-0-	-0-	-0-
Contract Trasnporter, Inc.	1,292	1,558	1,292	1,558	1,148	1,401	144	157	88.9	89.9	36	30	548	602
Custom Transport, Inc.	1,464	1,930	3,661	3,459	3,423	3,331	238	128	93.5	96.3	88	95	1,450	1,398
Dahn, Richard, Inc.	-0-	-0-	2,834	3,695	2,750	3,567	84	128	97.0	96.5	-0-	-0-	-0-	-0-
Davie Truckers, Inc.	-0-	-0-	1,850	2,518	1,636	2,272	214	246	88.4	90.2	33	31	491	588
DeHart Motor Lines, Inc.	973	975	4,878	4,642	4,801	4,806	77	(164)	98.4	103.5	147	117	1,378	1,260
Dietz Motor Lines, Inc.	355	358	3,292	3,601	3,263	3,515	29	86	99.1	97.6	82	96	1,057	1,106
Dixie Trucking Company, Inc.	2,424	2,399	2,476	2,584	2,319	2,471	157	113	93.7	95.6	61	60	1,174	1,252
Douglas and Bess, Inc.	11	8	2,394	2,593	2,197	2,490	197	103	91.7	96.0	40	45	660	672
Eagle Transport, Corp.	1,844	2,002	3,641	3,699	3,487	3,594	154	105	95.8	97.2	56	59	836	881
East Coast Transport Company, Inc.	1,104	1,023	1,104	1,023	1,065	1,020	39	3	96.5	99.7	30	27	289	262
Eastern Motor Lines, Inc.	-0-	-0-	1,764	1,539	1,666	1,386	98	153	94.4	90.1	6	6	81	77
Eastern Oil Transport, Inc.	1,348	1,063	1,423	1,140	1,528	1,192	(105)	(52)	107.4	104.6	55	38	660	479
Everette Truck Lines, Inc.	220	88	2,800	3,667	2,609	3,401	191	266	93.2	92.7	41	41	473	516
Ezzell Trucking, Inc.	124	197	1,621	2,312	1,555	2,178	66	134	95.9	94.2	25	27	238	351
Forbes Refrigerated Transport, Inc.	259	158	1,638	1,689	1,571	1,574	67	115	95.9	93.2	21	21	324	358
Forbes Transfer Co.	596	1,290	4,535	5,384	4,237	5,184	298	200	93.4	96.3	51	56	771	857
Freightways, Inc.	490	N/R	1,603	N/R	1,559	N/R	44		97.3		8	N/R	93	N/R
Gallimore, D.P. & Sons, Inc.	-0-	-0-	2,024	2,231	1,953	2,146	71	85	96.5	96.2	41	32	488	499
Class Container Transport, Inc.	-0-	-0-	2,381	3,140	2,205	3,107	176	33	92.6	98.9	7	36	51	408
Haines, Earl, Inc.	-0-	-0-	1,005	993	995	992	10	1	99.0	99.9	-0-	-0-	-0-	-0-
Harper Trucking Company, Inc.	1,509	1,764	1,508	1,764	1,431	1,758	77	6	94.9	99.7	52	57	758	892
Hatcher, M.L., Pick-Up and Delivery Service, Inc.	3,594	3,705	3,594	3,705	3,427	3,528	167	177	95.4	95.2	N/A	N/A	N/A	N/A

FIGURE NO. 51 (Continued)

MOTOR FREIGHT CARRIERS — CLASS II CONTINUED
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(DOLLARS in 000's)

	North Carolina Regulated Revenues		Total Revenues		Total Company Operations						N.C. Employee Data for Total Operations			
					Total Expenses		Net Operating Revenues		Operating Ratios		Avg. No. of Employees		Total Salaries Paid	
General Commodities Carriers:	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Henry, C.S., Transfer, Inc.	$ 68	$ 98	$ 3,751	$ 4,014	$ 3,485	$ 3,664	$ 266	$ 350	92.9%	91.3%	90	80	$ 1,386	$ 1,418
Howell's Motor Freight	471	474	3,009	3,326	2,925	3,154	84	172	97.2	94.8	62	59	575	580
Hudson Transportation, Inc.	N/R	N/R	2,184	2,916	2,167	2,757	17	159	99.2	94.5	N/R	N/R	N/R	N/R
Iredell Milk Transportation, Inc.	-0-	10	1,880	2,376	1,791	2,290	89	86	95.3	96.4	30	31	463	504
Kugler, Inc. (George)	N/R	264	2,943	3,803	2,846	3,619	97	184	96.7	95.2	N/R	29	N/R	590
Marine Transport Co.	N/R	N/R	2,422	N/R	2,407	N/R	15	—	99.4	—	N/R	N/R	N/R	N/R
Martin Motor Lines, Inc.	1,024	1,106	1,023	1,106	990	1,062	33	44	96.8	96.0	29	30	453	485
Martin, Roger E., Inc.	-0-	-0-	1,041	1,137	1,046	1,287	(5)	(150)	100.5	113.2	15	32	237	287
McLaurin Trucking Co.	81	376	1,036	1,422	941	1,359	95	63	90.8	95.6	37	40	N/A	467
Mercer Brothers Trucking Co.	42	114	1,138	1,480	1,005	1,345	133	135	88.3	90.9	27	31	283	340
Nationwide Horse Carriers, Inc.	-0-	-0-	2,685	2,874	2,653	2,723	32	151	98.8	94.7	-0-	-0-	-0-	-0-
North State Motor Lines, Inc.	-0-	-0-	2,433	2,736	2,317	2,598	116	138	95.2	95.0	-0-	-0-	-0-	-0-
Observer Transportation Co.	662	788	3,668	3,771	3,156	3,564	512	207	86.0	94.5	108	144	1,726	2,001
Oliver Trucking Co.	-0-	N/R	3,369	N/R	3,103	N/R	266	—	92.1	—	-0-		-0-	
Parsons, G.G., Trucking Co.	84	61	4,325	4,358	4,058	4,000	267	358	93.8	91.8	53	52	904	937
Petroleum Transportation, Inc.	747	N/R	1,600	N/R	1,425	N/R	175	—	89.1	—	54	N/R	619	N/R
Pitt County Transportation Co. Inc.	85	N/R	2,340	N/R	2,193	N/R	147	—	93.7	—	34	N/R	466	N/R
Quality Oil Transport	982	1,068	1,194	1,329	956	1,132	238	197	80.1	85.2	25	27	345	371
Quinn, James Elwood, Inc.	N/R	N/R	1,347	N/R	1,323	N/R	24	—	98.2	—	N/R	N/R	N/R	N/R
Rothrock, J.L., Inc.	-0-	-0-	1,862	1,769	1,772	1,695	90	74	95.2	95.8	47	43	791	770
Russ Transport, Inc.	361	387	3,716	3,494	3,510	3,378	206	116	94.5	96.7	11	9	116	116
S&W Motor Lines, Inc.	1,542	490	4,679	769	4,522	471	157	298	96.6	61.2	167	128	2,036	568
Shamrock Transport Co.	1,032	546	1,032	546	928	404	104	142	89.9	74.0	14	14	303	163
Sherman & Boddie, Inc.	270	366	902	1,096	800	899	102	197	88.7	82.0	25	25	275	364
Smith, Aaron, Trucking Co., Inc.	N/R	883	4,621	4,134	4,581	4,040	40	94	99.1	97.7	N/R	28	N/R	258
Sugar Transport, Inc.	135	178	2,421	3,074	2,219	2,813	202	261	91.7	91.5	4	4	45	42
Superior Motor Express, Inc.	581	-0-	2,458	2,521	2,458	2,518	-0-	3	100.0	99.9	22	23	265	270
Swing Transport, Inc.	753	885	1,158	1,362	1,107	1,282	51	80	95.6	94.1	17	18	183	201
Tallant Transfer, Inc.	-0-	N/R	1,469	N/R	1,445	N/R	24	—	98.4	—	40	N/R	565	N/R
Tarheel Express, Inc.	667	1,895	666	1,895	682	2,030	(16)	(135)	102.4	107.1	20	88	278	882
Terminal Trucking Co., Inc.	N/R	N/R	1,555	1,773	1,517	1,681	38	92	97.6	94.8	N/R	N/R	N/R	N/R
Tidewater Transit Co., Inc.	903	943	1,169	1,367	1,121	1,360	48	7	95.9	99.5	25	25	371	417
Underwood & Weld Co., Inc.	5	1	3,669	3,545	3,382	3,294	287	251	92.2	92.9	65	45	1,013	856
Waco Drivers Service, Inc.	-0-	N/R	1,043	N/R	1,012	N/R	31	—	97.0	—	14	N/R	212	N/R
Wallace Trucking Co.	20	37	1,224	1,295	1,337	1,565	(113)	(270)	109.2	120.8	32	32	507	539
Wendell Transport Corp.	1,123	1,152	1,123	1,194	1,052	1,098	71	96	93.7	92.0	26	27	377	395
West Brothers Transfer & Storage, Inc.	1,209	1,162	1,834	1,273	1,436	1,018	398	255	78.3	80.0	40	50	499	663
Widenhouse, A.C., Inc.	2,352	1,194	2,352	1,974	2,415	2,128	(63)	(154)	102.7	107.8	63	59	915	782
Williamson Truck Lines	-0-	-0-	4,958	4,908	4,630	4,898	328	10	93.4	99.8	99	105	1,195	1,244
Yarbrough Transfer Co.	311	326	1,238	1,256	1,089	1,215	149	41	88.0	96.7	24	24	311	372
Yeary Transfer Company, Inc.	-0-	-0-	1,402	1,277	1,352	1,270	50	7	96.4	99.5	-0-	-0-	-0-	-0-
Youngblood Truck Lines, Inc.	14	11	2,283	4,665	2,262	4,460	21	205	99.1	95.6	7	10	72	116
Totals (79 Carriers)	34,542	38,709	163,843	158,809	156,206	153,024	7,637	5,785	95.3	96.4	2,475	2,545	32,796	34,409
GRAND TOTAL (85 Carriers — Class II)	$34,949	$39,088	$185,994	$180,293	$177,984	$174,503	$8,010	$5,790	95.7	96.8	2,584	2,678	$34,244	$36,101

X — Began operations in 1980.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 52

MOTOR FREIGHT CARRIERS — CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III Mobile Home Movers	**North Carolina Regulated Revenues**		**Total Company Revenues**	
	1979	**1980**	**1979**	**1980**
A. & B. Mobile Homes Movers, Inc.	$ 6,048	$ 5,435	$ 6,048	$ 5,435
Action Freight Lines, Inc.	X	579	X	579
Allen Realty Company, Inc.	5,687	8,052	5,687	8,052
Allgood Wrecker Service, Inc.	9,250	—0—	9,250	—0—
Barker, Cecil E., Mobile Home Movers	11,069	3,409	12,081	3,409
Bass Mobile Home Moving	14,149	15,293	14,149	15,293
Benton, James E.	X	225	X	225
Borders Mobile Movers	5,603	8,108	5,603	8,108
Bob's Mobile Home Transport & Serv. Co.	11,610	N/R	11,610	N/R
Bradley, Bill B.	15,217	11,928	15,217	11,928
Brafford, Boyd W., Jr.	27,097	23,930	27,097	23,930
Brock's Mobile Homes, Auto Sales & Service	19,300	24,500	19,300	24,500
Bryant's Trailer Convoy	43,380	54,042	43,380	54,042
Bullock, Richard E.	6,785	8,697	6,785	8,697
Cantrell, Charles, Assoc., Inc.	2,709	1,078	2,709	1,078
Carolina Mobile Home Services	5,211	3,354	5,211	3,354
Carolina Mobile Movers, Inc.	14,417	15,789	14,417	15,789
Coats, Lewis C., Trailer Moving Co.	115,441	23,118	115,441	23,118
Cockerham, Wallace, Towing, Inc.	16,122	17,125	16,122	17,125
Cornett Mobile Home Movers	23,122	6,125	23,122	6,125
D. & N. Motors	6,150	7,020	6,150	7,020
Doug's Mobile Home Towing, Inc.	96,211	39,462	136,549	113,232
Daniel's Mobile Home Movers	13,879	12,897	13,879	12,897
Edwards Mobile Home Moving	3,000	N/R	3,000	N/R
Ervin Mobile Home Movers	X	X	X	X
Five "C's", Inc.	3,800	3,600	3,800	3,600
Frady, James Woodrow	26,961	30,951	27,451	30,951
Frank's Mobile Home Movers	8,000	9,875	8,000	9,875
Glover Sales, Inc.	5,414	4,623	5,414	4,623
Graham, Garland R.	2,657	2,177	2,657	2,177
Grandpap's Mobile Home Service	55,679	50,883	55,679	50,883
Hamrick, John Austin	13,325	12,775	13,325	12,775
Herman, Ray L.	6,640	8,320	6,640	8,320
Jack's Mobile Home Service	25,751	26,509	25,751	26,509
Johnny's Mobile Home Serv. of Asheville, Inc.	86,726	143,112	86,726	143,112
Jones Mobile Home Serv. Inc.	9,236	12,314	9,236	12,314
Lamb's Mobile Home Movers	25,000	30,000	25,000	30,000
Laughinghouse, Charles C.	43,477	44,926	43,477	44,926
Lewis, Joe, Mobile Home Moving Serv.	X	4,934	X	4,934
McCreary's Mobile Home Towing Serv.	13,200	16,174	13,200	16,174
Milovitz Mobile Home Moving	X	2,564	X	2,564
Moncure, Henry, Motors, Inc.	318	799	318	799
Moore's Mobile Manor and Serv.	11,022	10,000	11,022	10,000
Northwestern Dodge — Plymouth	25,773	13,523	25,773	13,523
Outer Banks Mobile Home Transit	28,876	24,900	28,876	24,900
P & Y Mobile Homes, Inc.	4,085	977	4,085	977
Patterson, Ralph K.	1,005	750	1,005	750
Paul, Charles	80,415	56,768	80,415	56,768
Piedmont Mobile Home Movers	6,500	6,200	6,500	6,200
Piedmont Mobile Home Movers, Inc.	3,665	11,154	3,665	11,154
Pinebluff Mobile Home Park	X	1,355	X	1,355
Pope's Mobile Home Moving	102,659	70,443	124,429	135,247
Pop's Trailer Towing Co., Inc.	228,048	170,986	228,048	170,986
Price, Harold Maxton, Mobile Home Mover	9,005	10,280	9,005	10,280
Ratleys Mobile Home Sales & Service	752	5,128	752	5,128
Rice's Mobile Home Service	X	3,507	X	3,507
Rick's Trailer Park	20,862	22,133	20,862	22,133
Riverside Mobile Home Movers	19,373	20,401	19,373	20,401
Ronald's Trailer Transport	77,002	46,174	77,002	54,322
Rorer, Russell D.	9,391	12,087	9,391	12,087
Spruill, Norman Arlington	22,877	19,942	28,557	26,041
Starlings Mobile Home Service	2,545	19,062	2,545	19,062
Stevenson, R.L.	5,776	7,970	5,776	7,970
Strick's Transporters	4,485	4,485	4,485	4,485
Williams, J.L., Trailer Moving Co.	30,302	44,059	30,302	44,059
Williams Mobile Home Transport	5,585	4,529	5,585	4,529
Wood Mobile Home Movers	6,200	7,600	6,200	7,600
Young Mobile Home Sales	X	—0—	X	—0—
Total (68 Carriers — Class III)	$ 1,503,844	$ 1,289,115	$ 1,573,134	$ 1,441,936

X — Began operations in 1980
N/A — Not available
N/R — Report not submitted or in dormant status.

FIGURE NO. 53

MOTOR FREIGHT CARRIERS — CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III Household Goods Movers	North Carolina Regulated Revenues 1979	North Carolina Regulated Revenues 1980	Total Company Revenues 1979	Total Company Revenues 1980
A-1 Moving & Storage, Inc.	$ 26,338	$ 34,649	$ 305,972	$ 369,959
AAA-Spruill Moving & Storage	20,845	26,095	39,028	68,904
AAA Storage Co., Inc.	1,453	1,458	191,429	302,341
ABC Moving & Storage, Inc.	96,618	111,573	338,453	406,134
Aaction Moving & Storage Co.	29,681	27,301	265,730	185,967
Abernathy Trf. & Storage Co., Inc.	53,730	53,957	89,995	298,157
Alamance Trf. & Storage Co., Inc.	1,217	-0-	52,764	62,446
All American Movers of Goldsboro, Inc.	N/A	1,163	101,573	94,471
All American Moving & Storage	X	51,502	X	260,254
Allen's Moving Serv. of Fayetteville, Inc.	15,699	2,416	69,583	72,060
All-States Moving & Storage, Inc.	42,633	18,264	369,647	479,647
American Distribution Systems, Inc.	47,000	N/A	119,000	N/A
American Movers, Inc.	24,027	91,108	24,027	354,313
Asheville Transfer & Storage, Inc.	51,397	54,363	376,512	400,001
Atlantic-Pacific Van & Storage, Inc.	160,132	146,853	169,361	148,476
B & W Local Moving	176,129	937	176,129	937
Baker, Tom, Express, Inc.	384,751	443,803	469,577	569,944
Bartlett, Jack, Moving & Constr.	3,918	2,607	16,951	29,517
Batson Trf. & Storage Co., Inc.	1,750	N/A	104,400	409,950
Baucom's Trf. & Storage Co., Inc.	77,398	60,230	995,908	881,689
Branch Moving & Storage Co.	N/A	29,176	19,959	39,216
Bright's Trf. Moving & Storage	7,739	8,657	7,739	8,657
Brigman Transfer Co.	18,520	—0—	18,520	—0—
Bruner-Lowes Trf. & Storage	X	23,571	X	36,611
Byers, Samuel Augustus	36,429	23,000	39,109	49,882
Capitol VanLines, Inc.	34,266	30,178	216,398	278,691
Cardinal Moving & Storage, Inc.	42,140	60,919	532,781	500,683
Carolina Moving & Storage, Inc.	58,318	76,434	1,328,353	346,749
Cashion Moving & Storage, Inc.	72,467	74,237	149,511	153,895
Central Carolina Bonded Whse, Inc.	11,194	8,254	262,780	263,209
Champion Transfer Co.	13,876	11,350	13,876	13,350
Charlotte Van & Storage Co., Inc.	187,695	346,956	187,695	346,956
City Transfer & Storage Co.	95,475	121,853	710,742	828,722
Clark Transfer Co., Inc.	—0—	—0—	315,025	279,212
Coastal Moving Co., Inc.	4,887	4,560	359,254	97,843
Coley Moving & Storage, Inc.	N/A	153,754	N/A	507,572
Crown Moving & Storage, Inc.	1,473	1,519	318,874	334,043
Custom Moving & Storage, Inc.	—0—	496	126,653	170,334
David's Econo-Move	12,000	162,787	260,797	171,787
Dawson-Joyce Moving & Storage Co.	6,993	4,043	6,993	415,173
Dixie Moving & Storage Co.	560	1,701	152,050	80,918
Durham Transfer & Storage, Inc.	42,469	30,742	395,954	407,226
Edwards, James Woodrow	9,465	9,355	9,465	9,355
Farrar Trf. & Storage Whse., Inc.	141,377	81,184	338,456	531,579
Fayetteville Moving & Storage, Inc.	25,593	25,566	825,474	163,723
Fidelity Moving & Storage Co., Inc.	47,765	25,242	496,875	472,258
Fleming-Shaw Trf. & Storage	300,573	423,647	449,248	563,573
Four Seasons Moving Co.	9,825	8,921	50,235	46,816
Fox Brothers	20,216	21,860	20,216	21,860
Gasperson, Roy M.	28,508	20,341	105,501	96,562
Gilbert Trucking Co.	18,512	31,518	142,032	134,630
Goldsboro Van & Storage., Inc.	2,354	9,969	84,437	98,238
Goodwin, K.W., Transfer Co.	44,417	56,158	358,439	286,854
Grady Moving & Storage, Inc.	2,659	747	5,393	1,287
Granville House, Inc.	45,106	393	109,501	288,266
Griffin Trf. & Storage Co., Inc.	128,104	56,266	180,032	176,602
Hafer Transfer Company	—0—	—0—	—0—	—0—
Hall's Transfer	26,484	27,688	50,237	55,028
Harrison Moving & Storage	40,496	32,370	161,196	212,929
Harvel's, Cliff, Moving Co.	96,096	61,410	185,324	151,958
Haywood Trf. & Storage Co., Inc.	57,164	25,317	131,065	211,825
Highland Moving & Storage Co., Inc.	565	—0—	208,488	250,315
Hodges Brothers	16,576	23,974	91,904	126,310
Horne Storage Co., Inc.	38,868	45,437	199,155	66,830
Humphrey, David C.	865	840	865	840
Humphrey, Troy, Moving & Storage Co.,	477	15,002	238,624	300,051
Ingle Trf. & Storage Co., Inc.	43,843	47,000	530,887	542,420
Isenhower Trf. & Storage Co.	96,228	33,775	370,407	337,862
Jackson Moving & Storage Co., Inc.	444,025	259,887	668,464	780,727
Jiffy Moving & Storage Co.	41,365	—0—	41,365	—0—
Kallam Transfer Co., Inc.	17,412	39,449	177,973	290,161
Kepley Moving & Storage, Inc.	54,460	49,893	59,382	57,201
Ladd, J.E., & Son	50,671	42,954	50,671	42,954
Lee, Ambrose, Jr.	2,260	3,929	2,260	3,927
Lewis and Thompson Transfer	577	900	577	900

FIGURE NO. 53 (Continued)

HOUSEHOLD GOODS MOVERS — CLASS III CONTINUED
REGULATED REVENUE — NORTH CAROLINA & TOTAL OPERATIONS

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III Household Goods Movers	North Carolina Regulated Revenues		Total Company Revenues	
	1979	1980	1979	1980
Martin Trf. & Stoage Co.	$ 133,216	$ 94,659	$ 732,099	$ 226,586
May Moving of Goldsboro, Inc.	1,639	2,019	279,285	301,222
McCauley Bros, Moving & Storage, Inc.	62,560	25,420	221,234	302,900
McCauley Moving & Storage of Fayetteville, Inc.	24,040	30,767	335,329	323,302
Merchants Moving & Storage, Inc.	—0—	—0—	188,514	193,199
Modern Moving & Storage, Inc.	35,307	52,616	581,128	841,639
Morehead Moving & Storage	7,088	1,224	21,152	11,022
Move-It Company	6,318	7,710	149,002	177,187
Murray Trf. & Storage Co., Inc.	51,679	125,757	839,901	827,642
National Transfer Storage, Inc.	15,315	65,219	122,961	142,073
Neptune World-Wide Moving	208,431	218,491	679,862	518,591
Owens, W.W., & Sons Trf. & Storage	238,756	46,038	326,646	343,140
Pannell, Willie Neal, Transfer	16,390	23,519	16,390	23,519
Patterson Storage Whse. Co., Inc.	50,035	67,261	819,201	749,061
Piedmont Movers	76,549	198,547	80,323	198,547
Piedmont Van & Storage Co.	2,133	745	177,985	150,539
Pilot Van Lines, Inc.	—0—	—0—	—0—	—0—
Port City Transfer & Storage Co.	60,965	42,807	60,965	66,780
Raleigh Bonded Warehouse, Inc.	28,202	22,405	166,607	129,079
Raleigh Furniture Storage Co., Inc.	88,931	49,822	405,636	491,090
Ray, Manly, Moving	N/A	20,801	27,054	26,489
Ray Moving & Storage, Inc.	89,362	204,684	617,524	280,177
Reliable Van & Storage, Inc.	9,606	6,635	393,628	405,080
Rucker Moving & Storage Co.	82,816	58,570	413,834	467,581
Rucker Trf. & Storage Co., Inc.	44,662	73,822	340,132	676,084
Russell Transfer Co., Inc.	22,129	58,001	315,316	356,097
Salisbury Moving & Storage	X	16,561	X	68,555
Sandhills Bonded Whse., Inc.	13,984	28,945	129,821	113,757
Sanford Transfer & Storage Co.	2,492	N/A	15,969	27,071
Seaboard Moving & Storage, Inc.	—0—	—0—	—0—	—0—
Security Storage Co., Inc.	N/A	108,990	1,677,085	201,643
Sells Service, Inc.	35,266	53,718	194,147	212,348
Service Moving & Storage Co., Inc.	1,871	738	138,377	285,042
Sheets Trf. & Storage Co., Inc.	44,074	44,386	356,971	451,746
Smith, Elton C., Jr., Moving Co.	51,720	42,071	69,391	68,806
Smith Transfer & Storage	7,029	2,124	7,029	9,343
Smith, W.E., Moving Co.	N/A	3,176	78,425	84,403
Staley, Joseph T.	11,333	13,159	14,305	15,055
Standard Moving & Storage Inc.	N/A	N/A	252,016	258,720
Stanley's Transfer Co., Inc.	—0—	13,554	1,051,256	646,100
State Moving & Storage, Inc.	—0—	897	323,942	335,873
Tar Heel Moving & Storage, Inc.	39,180	43,887	162,860	182,551
Terminal Storage Co., Inc.	835	1,862	173,273	224,454
Tri-City Moving & Storage, Inc.	65,719	N/A	423,187	507,792
Tru-Pak Moving & Storage	—0—	29,654	57,054	236,578
Tryon Moving & Storage, Inc.	N/R	155,479	N/R	155,479
Umstead Brothers, Inc.	62,055	88,984	62,055	88,984
Union Transfer & Storage Co., Inc.	42,168	47,707	307,056	396,211
Weathers Bros. Moving & Storage Co., Inc.	764	N/A	9,018	24,300
Weathers Bros. Transfer Co. of N.C., Inc.	289,098	783	409,832	318,494
Whitley, Abe, Moving & Storage, Inc.	97,831	68,548	595,226	626,683
Wile Transfer & Storage Co., Inc.	34,895	29,064	154,306	251,054
Williams, R.M.	51,944	49,080	51,944	49,080
Williams Transfer & Storage, Inc.	39,561	28,200	198,193	169,282
Willis Moving & Storage, Inc.	8,019	11,820	78,020	114,982
Winston Movers, Inc.	25,360	31,966	304,270	330,400
Wooldridge, J.C., Inc.	1,360	498	460,977	127,603
Wyatt, George Junior	7,371	11,211	7,371	11,211
Total (133 Carriers — Class III)	$ 6,004,359	$ 6,208,059	$ 32,118,337	$ 31,871,763

X — Began operations in 1980
N/A — Not available
N/R — Report not submitted or in domant status.

FIGURE NO. 54

MOTOR FREIGHT CARRIERS — CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III General Commodities Carriers	North Carolina Regulated Revenues		Total Company Revenues	
	1979	1980	1979	1980
AJS Trucking Company	$ 156,841	$ 192,712	$ 156,841	$ 192,712
American Parcel Service, Inc.	426,612	442,950	426,612	442,950
Armored Protective Service, Inc.	145,132	176,993	145,132	176,993
Ashford, T.P., Oil Co.	131,863	74,176	131,863	102,989
Ausley, Cecil T.	54,339	44,681	54,339	44,681
B & B Lines, Inc.	X	17,790	X	118,203
B. & C. Trucking Co., Inc.	61,809	67,997	61,809	67,997
B & L Trucking Co., Inc.	N/A	N/A	367,656	349,931
B & P Trucking	15,212	15,302	15,212	15,302
B-Freight Lines, Inc.	X	109,941	X	134,403
Bailey, James A., Inc.	—0—	—0—	—0—	—0—
Barnes, Milton R.	40,500	41,809	40,500	41,809
Beasley Transport, Inc.	N/A	N/A	55,192	81,570
Bell Truck Line	162,325	180,368	354,161	180,368
Black's Motor Express, Inc.	631,444	515,810	631,444	515,810
Blevins Motor Express	83,111	57,805	94,893	61,170
Bostick, James R.	N/A	N/A	32,466	38,939
Bowling, I.W. Inc.	120,915	85,748	237,598	208,177
Bright Belt Motor Lines, Inc.	363,911	380,848	477,598	585,813
Brown, Charles T., Truck Lines, Inc.	335,905	561,099	559,843	561,099
Bryson Machinery Movers & Riggers	6,890	79,171	6,890	79,171
Burk's Moving & Storage, Inc.	X	91,339	X	334,760
C.T. Trucking, Inc.	X	181,734	X	181,734
Cabarrus Consolidating & Mgm. Co.	X	40,186	X	705,219
Campbell, Cecil S.	X	16,202	X	42,882
Carey, A.J., Oil Co.	34,089	—0—	34,089	—0—
Carolina Crane Corp.	162,722	133,503	162,722	133,503
Carolina Haulers, Inc.	107,837	138,325	107,837	138,325
Carolina Movers & Riggers, Inc.	77,364	78,995	77,364	78,995
Carolina Moving Service, Inc.	X	150,000	X	150,000
Carolina Storage Corp.	87,182	132,962	362,552	338,000
Carolina Tank Lines, Inc.	308,216	397,678	736,641	656,831
Carolina Taxi & Indust. Transp., Inc.	16,284	14,766	16,284	14,766
Carolina Transport Express	X	4,852	X	4,852
Carolina Trucking Co., Inc.	5,789	188	5,789	188
Carpenter Trucking Co., Inc.	407,696	437,691	407,696	437,691
Carr Transport, Inc.	16,527	26,726	16,527	26,726
Carter, Robahlee	N/R	403,289	N/R	1,274,124
Caustic Soda Transportation Co.	256,133	246,314	592,445	697,526
Cauthen Gin & Bag Co., Inc.	N/A	179,348	635,874	751,160
Charlotte Transportation Co., Inc.	251,808	274,186	251,808	274,186
Christie, Craig L.	73,836	77,290	73,836	77,290
Citizens Express, Inc.	323,765	304,501	508,244	442,911
Clay's Transfer Co., Inc.	2,159	1,993	267,144	227,126
Coastal Transport, Inc.	481,318	630,944	956,471	1,127,252
Colonial Bldg. Maintenance Co.	—0—	—0—	—0—	—0—
Coltrain, Tilmon R.	—0—	—0—	—0—	—0—
Columbus Motor Lines, Inc.	347,102	170,762	522,226	685,342
Commercial Couriers, Inc.	366,233	446,400	366,233	525,242
Commercial Warehouse, Inc.	40,835	36,931	40,835	36,931
Cook & Sons, Inc.	6,886	16,755	6,886	188,596
Cooke Trucking Co., Inc.	N/A	—0—	923,048	—0—
Cotton Growers Warehouse, Inc.	62,282	66,393	129,054	158,344
Council, Artice Lee	—0—	—0—	—0—	—0—
Council, Jimmie	X	6,000	X	6,000
Culberson Motor Lines, Inc.	80,363	90,985	605,593	606,765
Custom Freight, Inc.	133,370	162,276	133,370	162,276
D & L Trucking, Inc.	N/A	713,180	289,648	1,778,407
Davis, J.B., Bulk Hauler	63,147	64,500	63,147	64,500
Davis Transportation Co.	64,644	53,407	64,644	53,407
Dietz Motor Lines, Inc.	X	36,542	X	77,084
Dunn, N.A., Inc.	—0—	—0—	—0—	—0—
E-B Trucking Co., Inc.	777,732	821,144	777,732	821,144
E & B Corporation	46,604	46,394	46,604	46,394
Eastern Courier Corp.	40,932	59,139	163,720	236,557
Economy Transport, Inc.	79,856	68,643	79,856	68,643
Edmac Trucking Co., Inc.	436,288	454,531	689,422	651,609
Eggleston, Gorris, Oil Tranport, Inc.	6,577	139	6,577	7,115
Erwin Oil Co., Inc.	N/R	N/R	N/R	N/R
Eure, C.H., Trucking, Inc.	21,683	8,040	246,855	290,098
Evans, C & N., Trucking Co., Inc.	X	N/A	X	2,775,876
Everett Motor Line	31,892	34,177	31,892	34,177
Fanelli Bros. Trucking Co.	42	64	2,040	2,300
Farmer's Oil Co., Inc.	55,844	33,120	55,844	33,120

FIGURE NO. 54 (Continued)

MOTOR FREIGHT CARRIERS — CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III General Commodities Carriers	**North Carolina Regulated Revenues 1979**	**1980**	**Total Company Revenues 1979**	**1980**
Federal Motor Express	$ 285,698	$ 329,769	$ 285,698	$ 329,769
Federated Transport, Inc.	152,041	151,051	152,641	151,051
Foothills Trucking Co., Inc.	N/A	N/A	520,000	613,881
Fowler, M.M., Inc.	355,040	322,763	355,040	322,763
Fuel Oil Service Co.	340,271	321,631	340,271	321,631
Fuller Oil Co., Inc.	N/R	N/R	N/R	N/R
Futrell Chip Company	402,127	20,996	402,127	20,996
G & S Riggers & Movers	X	33,584	X	33,584
Gardner-Creech Oil Co.	2,113	53	2,113	53
Gibson, John Louie	12,396	8,102	12,396	8,102
Gilbert Transfer Co.	293,558	268,931	352,513	339,306
Godwin Transport Co., Inc.	173,653	176,789	173,653	176,789
Goldston Transfer, Inc.	218,736	910,757	364,424	955,610
Greene Haulers, Inc.	216,746	215,774	216,746	215,774
Grimes, Alton E.	192,926	165,427	192,926	165,427
Groves, F.W., Trucking Co.	584,889	475,047	678,234	799,978
HML Company	X	4,800	X	4,800
Harrell, R.O., Inc.	X	65,399	X	641,439
Harris, William L.	X	27,581	X	27,581
Hendrix, T.C., Jr.	N/R	N/R	N/R	N/R
Hester's Transfer	N/A	N/A	55,572	57,735
Hill-Top Transport	96,245	121,804	313,901	475,394
Hodges, Ed F., Inc.	238,051	175,134	238,051	175,134
Holland Transfer Co.	N/A	79,421	589,042	661,822
Hollowell Transportation Co., Inc.	53,361	46,537	53,361	46,537
Holt, H.R.	177,922	143,523	177,922	143,523
Honeycutt, J.B., Co., Inc.	748,149	166,631	748,149	166,631
Hopper Brothers, Inc.	17,623	17,202	17,623	17,202
Howell Transfer Co.	—0—	—0—	188,859	194,231
Huffman, P.T., Transfer, Inc.	623,383	678,609	623,383	678,609
Hughes Trucking	52,625	56,748	52,625	56,748
Humphrey-Hardison Oil Co., Inc.	36,585	24,978	36,585	35,120
Ives Transport, Inc.	145,747	138,358	145,747	138,358
Jenkins, J.W., Inc.	149,102	129,305	149,102	129,305
Johnny's Transfer Co., Inc.	90,685	212,697	187,099	411,695
Jones, Henderson S., Jr.	46,496	42,156	46,496	42,156
Jones, Sam, Contract Carrier	X	N/R	X	N/R
Jones Transfer, Inc.	45,291	3,640	234,485	253,100
Joyner Trucking Co.	214	3,841	161,071	138,938
K.B.D. Services	X	13,424	X	45,382
King, Neb, Inc.	4,680	5,040	4,680	5,040
L.D.F., Inc.	202,069	506,552	202,069	506,552
Lawndale Transportation Co.	22,024	18,121	22,024	18,121
Leary Brothers Storage Co.	8,911	4,802	12,376	6,669
Lenoir Transfer Co., Inc.	187,769	141,131	925,750	973,708
Lisk, Howard, Inc.	843,999	1,341,920	934,514	1,450,399
Livestock Supply Co.	N/A	N/A	26,944	107,250
Lockwood Brothers, Inc.	N/A	N/A	N/A	488,601
Loving, T.A., & Co.	49,575	72,226	49,575	72,226
M & H Trucking Co., Inc.	26,999	84,764	26,999	84,764
Mangum, C.C., Inc.	80,560	56,975	80,560	56,975
Martin Transport Co., Inc.	109,014	118,089	109,014	118,089
Maxton Oil & Fertilizer Co.	35,794	26,113	35,794	26,113
McCotter, J.D., Inc.	12,688	3,844	37,934	65,407
McKeithan, Julian B.	44,465	32,675	44,465	32,675
McLeod Trucking & Rigging Co., Inc.	12,604	39,163	235,824	203,272
Media Express, Inc.	153,485	164,184	567,548	608,576
Mid-State Delivery Service	N/A	642,122	812,592	812,104
Mid-State Oil Co.	8,954	253	8,954	253
Mini-Haul, Inc.	88,332	111,134	88,332	111,134
Moore Delivery Service	48,165	52,629	48,165	52,629
Morrisland Corporation	93,921	73,691	93,921	73,691
Morven Freight Lines, Inc.	620,567	203,880	620,567	203,880
Mullis, Brandon L., Inc.	45,681	24,336	304,539	311,556
N.C. Transport, Inc.	265,222	328,400	284,323	407,589
Newsom Transports, Inc.	40,299	56,003	102,177	121,535
Nichols, A.T., Trucking Co., Inc.	714,296	407,611	714,296	407,611
Nordan Transportation Co.	63,710	73,969	63,710	73,969
Norris, Elwood	66,657	71,910	66,657	71,910
O'Kelly Trucking Line	7,120	5,923	7,120	5,923
Ormond, W.W., Transfer Co.	154,418	169,481	154,418	169,481
Overman, R.C., Trucking Co.	256,192	423,341	256,192	423,341
Package Delivery Service	34,372	N/R	34,372	N/R
Package Delivery Service of Durham, Inc.	45,140	41,958	45,140	41,958

FIGURE NO. 54 (Continued)

MOTOR FREIGHT CARRIERS — CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED

CALENDAR YEARS 1979 & 1980
(ACTUAL DOLLARS)

Class III General Commodities Carriers	North Carolina Regulated Revenues		Total Company Revenues	
	1979	1980	1979	1980
Pait Transfer, Inc.	$ 444	$ N/A	$ 94,948	$ 54,373
Parker, Donald C.	42,979	43,463	42,979	43,463
Perry's Transfer Co.,	45,699	44,904	45,699	44,904
Petroleum Transport Co., Inc.	252,846	283,309	252,846	283,309
Philips, A.P.	16,661	N/A	21,720	38,084
Pick-Up & Delivery Service, Inc.	28,160	120,000	28,160	120,000
Piedmont Fuel & Distributing Co., Inc.	118,547	134,138	118,547	134,138
Pipe Line Haulers, Inc.	N/R	N/R	N/R	N/R
Polar Transport, Inc.	N/R	N/R	N/R	N/R
Public Transport Corp.	478,254	392,940	478,254	392,940
Randleman's City Pick-Up & Del. Serv., Inc.	41,595	13,340	41,595	13,340
Ray-Mac Supply Co., Inc.	N/A	1,084	128,180	110,288
Regional Storage & Transport, Inc.	111,658	143,008	299,479	541,876
Re-Jim, Inc.	17,715	78,895	179,956	217,569
Roberts, C.C., Concrete Constr. Co.	49,905	86,591	120,536	150,077
Rogers Transportation Co., Inc.	857,594	755,613	857,594	755,613
Roney, W.C., Trucking Co., Inc.	65,590	63,956	65,590	63,956
Rosdahl Machinery Riggers & Movers	N/A	N/A	197,477	192,575
S & R Auto & Truck Service, Inc.	335,457	155,398	497,306	444,896
S.T.G. Transport, Inc.	252,725	263,839	252,725	263,839
Santee Cement Carriers	X	741,081	X	741,081
Shippers Freight Lines, Inc.	916,524	1,291,955	916,524	1,291,955
Smith, Alvin Alexander	222,749	252,220	222,749	252,220
Smith Transfer Co., Inc.	N/A	115,537	851,709	946,216
Smith, William T.	X	12,428	X	12,428
Smithfield Motor Co.	4,429	5,283	4,429	5,283
South Atlantic Bonded Whse. Corp.	386,319	423,395	386,319	530,798
Southchem, Inc.	X	—0—	X	106,445
Southern Freight Service, Inc.	X	39,269	X	39,269
Southern Oil Transportation Co.	957,890	1,066,127	957,890	1,066,127
Southern Spindle & Flyer Co., Inc.	33,792	28,396	141,289	142,103
Stainback Trucking, Inc.	255,610	242,351	255,610	242,351
Starnes Bros. Milling Co.,	1,805	43,476	1,805	43,476
State Trucking Company	721,816	148,799	721,816	148,799
Stegall Milling Co., Inc.	150,000	64,700	165,000	78,117
Super Motor Lines	992,490	969,400	997,056	1,313,795
Super Trans, Inc.	105,450	402,009	276,550	402,009
Swann, A.D., Trucking Co., Inc.	5,671	934,827	753,916	934,827
Tappen Carriers, Inc.	508,489	546,198	508,489	546,198
Tarheel Transport, Inc.	666,687	530,281	666,687	530,281
Thomas Transfer, Inc.	75,060	100,624	75,060	100,624
Timber Trucking Co., Inc.	1,347	49,335	4,079	139,399
Tobacco Growers Services, Inc.	6,398	19,825	6,398	19,825
Tel-Co., Inc.	X	43,712	X	161,964
Triad Transport, Inc.	X	21,478	X	21,478
Tri-County Transport, Inc.	205,859	123,028	205,859	123,028
Tyler, James L.	46,706	45,972	46,706	45,972
United Limestone Products, Inc.	14,292	—0—	14,292	—0—
United Merchants Trucking, Inc.	X	N/A	X	1,587,804
Waccamaw Transport, Inc.	196,857	246,620	196,857	246,620
Walker Transfer, Inc.	104,830	131,362	256,673	288,093
Wall Trucking Co., Inc.	852,121	780,983	852,121	780,983
Watson Transportation Co.	14,048	12,786	14,048	12,786
Weaver, Edward Herman	54,637	60,053	54,637	60,053
Western Carolina Express, Inc.	X	166,581	X	166,581
Wicker Pick-Up & Delivery Service, Inc.	544,931	682,891	544,931	682,891
Wilco Transport Co., Inc.	425,309	469,195	425,309	469,195
Williams, Melvin Douglas	58,659	47,417	58,659	47,417
Williamson Mobile Home Transit	X	6,970	X	6,970
Wilmington Express, Inc.	165,392	381,117	191,433	416,224
Wooten-Hollowell Oil Co.	78,161	45,200	78,161	45,200
Worsley Transport, Inc.	396,807	812,533	646,371	985,294
Wright Motor Lines, Inc.	35,482	125,522	287,850	278,938
Young Transfer, Inc.	330,336	442,266	487,744	610,028
Total (212 Carriers — Class III)	$30,473,003	$ 36,505,116	$ 45,505,035	$ 59,071,601
GRAND TOTALS (413 Carriers)	$37,981,206	$ 44,002,290	$ 79,196,506	$ 92,385,300

X — Began operations in 1980
N/A — Not available
N/R — Report not submitted or in dormant status.

FIGURE NO. 55

MOTOR FREIGHT CARRIERS — CLASS I AND II
Summary of Selected Data — Income, Expenses and Statistical Items
For the Calendar Years 1965, 1970, 1978-1980

(North Carolina and Systemwide) (Dollars in 000's)

CLASS I CARRIERS	1979	1980	% Change More (Less) 1980-1979
Number of Companies Regulated	79	79	
Number Included in this Data	79	79	
North Carolina — Regulated Revenues	$ 94,624	$ 124,835	31.9%
Operating Data (Systemwide):			
Operating Revenues	$6,846,535	$7,433,627	8.6
Operating Expenses	$6,548,258	6,939,079	6.0
Net Operating Revenue	$ 298,277	$ 494,548	65.8
Operating Ratio (Percent)	95.6	93.3	(2.4)
Statistics (N.C. Data Only):			
Average No. of Employees (actual)	14,986	15,148	1.1
Total Salaries Paid ($-000's)	$ 284,855	$ 319,169	12.0
CLASS II CARRIERS			
Number of Companies Regulated	85	85	
Number Included in this Data	85	85	
Operating Revenues (N.C. Portion):	$ 34,949	$ 39,088	11.8
Operating Data (Systemwide):			
Operating Revenues	$ 185,994	$ 180,293	(3.1)
Operating Expenses	177,984	174,503	(2.0)
Net Operating Revenue	$ 8,010	$ 5,790	(27.7)
Operating Ratio (Percent)	95.7	96.8	1.1
Statistics (N.C. Data Only):			
Average No. of Employees (Actual)	2,584	2,678	3.6
Total Salaries Paid ($-000's)	$ 34,244	$ 36,101	5.4
GRAND TOTALS CLASS I & II			
Number of Companies Regulated	164	164	
Number Included in this Data	164	164	
Operating Revenues (N.C. Portion):	$ 129,573	$ 163,923	26.5
Operating Data (Systemwide):			
Operating Revenues	$7,032,529	$7,613,920	8.3
Operating Expenses	6,726,242	7,113,582	5.8
Net Operating Revenue	$ 306,287	$ 500,338	63.4
Operating Ratio (Percent)	95.6	94.3	(1.4)
Statistics (N.C. Data Only):			
Average No. of Employees (Actual)	17,570	17,826	1.5
Total Salaries Paid ($-000's)	$ 319,099	$ 355,270	11.3

X. The Transportation Industry - Motor Passenger Carriers

MOTOR PASSENGER CARRIERS

A. GENERAL COMMENTS

1. Regulated Privately Owned Sector

For the purpose of filing annual reports, both ICC and the N.C. Utilities Commission authorized the following changes in classification, effective January 1, 1980, for the motor passenger carriers:

Classification	Old	New
Class I	$1,000,000 or more annual operating revenue	$3,000,000 or more annual operating revenue
Class II	$200,000 to $1,000,000 annual operating revenue	$500,000 to $3,000,000 annual operating revenue
Class III	Under $200,000 annual operating revenue	Under $500,000 annual operating revenue

At December 31, 1980, there were 74 motor carriers of passengers operating under the regulation of the North Carolina Utilities Commission. See Figure No. 56 for a list of these companies and their scope of operations. Four (4) of these carriers are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these four (4) carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operation. The remaining seventy (70) carriers are fully regulated by the Commission. However, twenty-seven (27) of these are transportation brokers and two (2) are motor boat common carriers. There is no operating data for these twenty-nine (29) carriers involved in this report. Of the remaining forty-five (45) carriers, operating data is included in this report for thirty-five (35). See Figures No. 57, 58, and 59.

Transportation brokers, as herein used, means any person not a bonafide employee or agent of a motor carrier, who engages in the business of selling or offering for sale any transportation of passengers by motor carrier for compensation either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service.

2. Nonregulated Publicly Owned Sector

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership

Year	Passengers*
1979	20,644,716
1980	24,142,386

*Source: Public Transportation Division—North Carolina Department of Public Transportation—Systems included in the data are: Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winston-Salem with Wilson beginning in September 1980. The bus systems in Durham and Greensboro are regulated and are owned by Duke Power Company. The ridership for these systems is omitted from this data.

The public sector is currently providing the lion's share of the intracity passenger transportation in North Carolina, and the trend is to an ever greater share. It becomes imperative that this sector must be included when evaluating or studying the needs or adequacy of North Carolina intrastate passenger transportation.

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation in North Carolina. For further information on this agency's activities, the N.C. Department of Transportation, P.O. Box 25201, Raleigh, N.C. 27602, should be contacted.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the thirty-three (33) regulated intercity carriers having separate operations during 1980. The intercity carriers have franchises and operating rights to serve two or more points and are further classed and operate as common carrier or contract carrier over either interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1980:

Classification		Number of Carriers
Class I		3
Class II		7
Class III		23
	Total	33
Type Carrier		
Common		29
Contract		4
		33
Scope		
Interstate		23
Intrastate		10
		33

C. FARE INCREASES AUTHORIZED—INTERCITY

The following intercity motor passenger carriers were authorized passenger fare increases in 1979:

(a) Virginia Dare Transportation Co., Inc., (Docket No. B-97, Sub 8) 20%

(b) Emma Bus Lines, Inc., (Docket No. B-8, Sub 11) 14%

No fare increases were authorized in 1980.

D. STATISTICAL SUMMARY DATA—INTERCITY

Of the thirty-three (33) intercity motor passenger carriers under the regulation of the North Carolina Utilities Commission in 1980, the three (3) Class I carriers account for 92.5% of the gross operating revenues. For their North Carolina operations, however, they experienced a decrease in operating revenues of .4% in 1980 over 1979.

Systemwide operations for the Class I carriers had an increase of 17.3% in operating revenues and an increase of 17.7% in operating expenses, which resulted in an increase in the operating ratio in 1980 over 1979 from 94.3% to 94.6%.

E. INTRACITY MOTOR PASSENGER CARRIERS—COMMENTS

During 1980, there were ten (10) intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission. For three (3) of these carriers, the Commission regulates only the fares charged.

The ten (10) intracity carriers are grouped as follows regarding size, type, and scope of operations:

Classification	Number of Carriers
Class I	0
Class II	2
Class III	8
Total	10
Type Carrier—All Common	10
Scope—All Intrastate	10

F. FARE INCREASES AUTHORIZED—INTRACITY

The following intracity motor passenger carriers were authorized passenger fare increases in 1979:

(a) Duke Power Co., Durham (Docket B-209, Sub 20) 20%
(b) Rockingham-Hamlet Bus Lines (Docket B-209, Sub 20) 33%
(c) Kannapolis Transit Co., Inc., (Docket B-189, Sub 7) 11½%

The following increases were authorized in 1980:

(a) Duke Power Co., Durham (Docket B-209, Sub 20) 20%
(b) Duke Power Co., Greensboro (Docket B-209, Sub 21) 17%

G. STATISTICAL SUMMARY DATA—INTRACITY

Figure No. 59 for intracity carriers reflects the changes in reclassification of carriers at January 1, 1980, which created a change in the method of visual display for 1979 and 1980 from what was shown in previous publications. There are no Class I carriers presently in this group, and the smaller carriers did not report sufficient information to be of any significant value for comparison.

FIGURE NO. 56

MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA AS OF DECEMBER 31, 1980

	Scope of Operations				
Class I Carriers	Inter-State	Intra-State	Inter-City	Intra-City	Note Legend
1. Carolina Coach Co.	X	X	X		
2. Greyhound Lines, Inc.	X	X	X		
3. Trailways Southeastern Lines, Inc.	X	X	X		(B)
Total	3	3	3		
Class II Carriers					
1. American Coach Lines, Inc.	X	X	X		
2. Asheboro Coach Co.	X	X	X	X	(D)
3. Duke Power Co. — Durham		X		X	(A)
4. Duke Power Co. — Greensboro		X		X	(A)
5. Piedmont Coach Lines, Inc.	X	X	X		
6. Seashore Transportation Co.	X	X	X		
7. Southern Coach Co.	X	X	X		
8. Wilson Bus Co., Inc.		X	X	X	(D)
9. Young's Transportation	X	X	X	X	(D)
Total	6	9	7	5	
Class III Carriers					
1. Appalachian Coach Co., Inc.	X	X	X		
2. Blue Ridge Lines, Inc.		X	X		
3. Carolina Transit Lines of Charlotte, Inc.		X	X	X	(C)
4. Central Bus Lines of N.C.		X	X		
5. Charlotte City Coach Lines, Inc.		X		X	(A)
6. City Coach Company, Inc.		X	X	X	(D)
7. Conover-Newton Bus Lines, Inc.		X	X		
8. D. & M. Bus Company	X	X	X		
9. Dillahunt, John T.		X	X		
10. Emma Bus Lines, Inc.		X	X		
11. Gaston-Lincoln Transit, Inc.	X	X	X		
12. Gastonia Transit Co., Inc.		X	X	X	(C)
13. Hill, Floyd		X	X		(E)
14. Houston Transport Co., Inc.		X	X		
15. Kannapolis Transit Co., Inc.	X	X	X	X	(C)
16. Kenion, Daniel H.		X	X		
17. Macon Tours		X	X		
18. Nooney Bus Lines, Inc.		X	X		
19. Northcutt, Med C.		X	X		
20. Piedmont Bus Lines, Inc.	X	X	X		
21. Rockingham-Hamlet Bus Lines		X	X	X	(C)
22. Rouse Transportation Co.		X	X		
23. Safety Transit Co.		X		X	(A)
24. Safety Transit Lines	X	X	X		
25. Shelby Bus Lines, Inc.	X	X	X		
26. Silver Fox Lines		X	X		
27. Smoky Mt./Highland Tours, Inc.		X	X		
28. Statesville Motor Coach Co., Inc.	X	X	X	X	(C)
29. Suburban Bus Lines, Inc.		X	X	X	
30. Travelines of Carolina		X	X		
31. Twin State Coach Lines	X	X	X		
32. Virginia Dare Transportation Co., Inc.	X	X	X	X	(D)
33. Williams Bus Rental		X	X		
Total	10	33	31	10	

FIGURE NO. 56 (Continued)

MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA AS OF DECEMBER 31, 1980

	Scope of Operations				
	Inter-State	Intra-State	Inter-City	Intra-City	Note Legend
Motor Boat Common Carriers					(F)
1. Bailey, Josiah W., Jr.		X	X		
2. Nelson, Ambrose D.		X	X		
Total		2	2		
Transportation Brokers					
1. Alberton, Charles W.		X	X		
2. Bullock Tours		X	X		
3. Cardwell Tours		X	X		
4. Carolina Tours, Inc.		X	X		
5. Charlotte Visitours, Inc.		X	X		
6. Circle Tours		X	X		
7. Coastal Host		X	X		
8. Colonial Ventures, Inc.		X	X		
9. Cowan Tours, Inc.		X	X		
10. Custom Travel Services, Inc.		X	X		
11. Davis Tours, Inc.		X	X		
12. E. & T. Tours, Inc.		X	X		
13. Gough Tours		X	X		
14. Green, Conley F., Sr.		X	X		
15. Heritage Tours		X	X		
16. Holiday Tours, Inc.		X	X		
17. Hubbard Tours		X	X		
18. Introducing Asheville		X	X		
19. Kay, Hazel, Tours		X	X		
20. Long 's Travel Agency, Inc.		X	X		
21. Moore Tours, Inc.		X	X		
22. P. & B. Travels		X	X		
23. Per-Flo Travel Agency, Inc.		X	X		
24. Thacker, Ginger, Tours		X	X		
25. Tours of the Lower Cape Fear, Inc.		X	X		
26. Travel Tours, Inc.		X	X		
27. Trekmaker		X	X		
Total		27	27		
74. Grand Total — Companies regulated and listed above	19	74	70	15	

35 Total companies filing annual reports for 1980 — See Footnote (F)
35 Total companies included in statistical data

Footnotes:

(A) Franchised by municipalities, fares only regulated by the N.C. Utilities Commission

(B) Name changed from Continental Southeastern Lines, Inc.

(C) Has both intercity and intracity operations, but for statistical purposes will be treated as an intracity carrier since most operating revenue is derived from intracity operations

(D) Has both intercity and intracity operations, but for statistical purposes will be treated as an intercity carrier since most operating revenue is derived from intercity operations

(E) Operating rights leased to John T. Dillahunt as of 12-31-76

(F) Does not file annual report of operations with N.C. Utilities Commission

FIGURE NO. 57

MOTOR PASSENGER CARRIERS — INTERCITY — CLASSES I & II

Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1979 & 1980
(North Carolina and Systemwide Data Noted)
(Figures in 000's except where noted)

		Class I				Class II							
		Carolina Coach Co.	Greyhound Lines, Inc.	Trailways Southeastern Lines, Inc.	Total—Class I	American Coach Lines, Inc.	Asheboro Coach Co.	Piedmont Coach Lines, Inc.	Seashore Transportation Co.	Southern Coach Co.	Wilson Bus. Co., Inc.	Young's Transportation	Total—Class II
Operating Revenues (N.C. Portion):	1979	$ 14,318	$ 7,181	$ 5,255	$ 26,754	$ 115	$ 416	$ 555	$ 2,342	$ 458	$ 815	$ 66	$ 4,767
	1980	$ 12,277	$ 8,422	$ 6,045	$ 26,744	$ 140	$ 464	$ 583	$ 2,571	$ 471	$ 874	$ 128	$ 5,231
Income Items (Systemwide):													
Operating Revenues	1979	$ 22,497	$700,516	$ 17,288	$740,301	$ 957	$ 630	$ 653	$ 2,570	$ 757	$ 815	$ 448	$ 6,830
	1980	25,813	824,044	18,642	868,499	1,164	718	1,051	2,906	950	874	590	8,253
Operating Expenses	1979	18,465	660,585	19,409	698,459	894	557	555	2,409	739	774	432	6,360
	1980	21,034	782,116	18,731	821,881	1,134	691	822	2,773	885	860	529	7,694
Net Operating Revenues	1979	4,032	39,931	(2,121)	41,842	63	73	98	161	13	41	16	470
	1980	$ 4,779	$ 41,928	$ (89)	$ 46,618	$ 30	$ 27	$ 229	$ 133	$ 65	$ 14	$ 61	$ 559
Operating Ratio (Percent)	1979	82.1	94.3	112.3	94.3	93.4	88.4	85.0	93.7	97.6	95.0	96.4	93.1
	1980	81.5	94.9	100.5	94.6	97.4	96.2	78.2	95.4	93.2	98.4	89.7	93.2
Other Income or (Deductions) — Net	1979	$ 5	$ 12,093	$ (745)	$ 11,353	$ (46)	$ (31)	$ (24)	$ 36	$ 44	$ (27)	$ 2	$ (46)
	1980	44	22,545	(1,366)	21,223	18	48	(75)	30	21	(37)	(1)	4
Income Taxes	1979	1,783	16,096	(1,526)	16,353	—0—	2	5	56	3	1	1	68
	1980	1,594	14,519	441	16,554	3	4	10	(26)	1	—0—	4	(4)
Net Income after Income Taxes	1979	$ 2,254	$ 35,928	$ (1,340)	$ 36,842	$ 17	$ 40	$ 69	$ 141	$ 59	$ 13	$ 17	$ 356
	1980	$ 3,229	$ 49,954	$ (1,896)	$ 51,287	$ 45	$ 71	$ 144	$ 189	$ 87	$ (23)	$ 56	$ 569
Statistics (N.C. Only):													
Total bus miles operated	1979	6,937	6,761	5,880	12,641	97	293	225	1,913	346	1,144	283	4,301
	1980	6 997	6,734	5,280	19,011	86	278	320	1,969	294	889	78	3,914
Length of bus route — miles — one way	1979	2,103	2,169	3,141	5,310	161	26	198	630	272	26	55	1,368
(actual)	1980	2,103	2,169	3,141	7,413	164	26	198	630	272	26	75	1,391
Total gallons gasoline purchased or used	1979	—0—	—0—	—0—	—0—	—0—	11	N/A	13	24	7	34	89
	1980	—0—	—0—	—0—	—0—	—0—	20	—0—	15	20	10	41	106
Total gallons diesel fuel purchased or used	1979	784	1,281	951	2,232	16	51	N/A	432	77	136	19	731
	1980	740	1,318	930	2,988	16	50	79	436	59	110	46	796
No. of tickets sold which originated in N.C.	1979	647	260	650	260	5	5	N/A	312	—	87	12	421
(Excludes charter & school passengers)	1980	606	155	638	761	1	6	N/A	333	—	N/A	5	345
Revenue for tickets originating in N.C.	1979	$ 6.950	$ 5,299	$ 1,555	$ 6,854	11	10	9	1,471	1	N/A	13	1,515
(Excludes charter & school passengers)	1980	$ 7,727	$ 6,445	$ 2,096	$ 16,268	16	13	11	1,609	2	N/A	6	1,657
Average revenue per ticket originating in N.C.	1979	$ 10.75	20.36	6.67	—	2.25	2.15	N/A	4.71	6.07	N/A	1.05	—
(Excludes charter & school passengers)	1980	$ 12.75	24.20	7.98	—	3.50	2.25	N/A	4.84	5.31	N/A	1.20	—
Other revenue originating in N.C. by	1979	$ 3,932	$ 1,882	$ 918	$ 2,800	11	536	602	858	745	506	395	3,632
charter & express	1980	$ 4,550	$ 1,977	$ 954	$ 7,481	12	591	889	1,254	939	792	495	4,972
Statistics (Systemwide):													
No. revenue passengers carried	1979	2,626	62,098	1,638	63,736	64	23	N/A	407	64	86	111	755
	1980	2,662	63,794	1,549	68,005	67	23	N/A	414	59	35	115	713
Ave. Fare per passenger carried (actual)	1979	$ 6.61	$ 9.81	$ 6.67	$ —	N/A	N/A	N/A	4.71	N/A	N/A	N/A	—
	1980	$ 7.47	$ 11.42	$ 7.98	$ —	N/A	N/A	N/A	4.84	N/A	N/A	N/A	—
Avg. No. of buses owned (actual)	1979	211	4,233	179	4,412	16	11	13	38	17	29	20	144
	1980	253	4,642	151	5,046	19	12	21	41	19	27	20	159
Avg. No. of buses operated (actual)	1979	211	4,216	152	4,368	2	3	2	16	5	2	20	50
	1980	253	4,642	151	5,046	3	3	2	16	10	2	15	51
Avg. No. of employees (actual)	1979	532	16,647	623	17,270	23	39	15	88	15	64	29	273
	1980	551	17,605	598	18,754	27	38	15	90	16	49	16	251

N/A — Not Available
N/R — Report not submitted or in dormant status

FIGURE NO. 58

MOTOR PASSENGER CARRIERS — INTERCITY — CLASS III
Summary of Total Revenues and Expenses
For the Calendar Years 1979 and 1980
(Figures in 000's)

			Scope of Operations			
	Operating Revenues		Operating Expenses		Operating Ratio	
Companies	1979	1980	1979	1980	1979	1980
Appalachian Coach Co., Inc.	$ N/R	$ N/R	$ N/R	$ N/R	—	—
Blue Ridge Lines, Inc.	109	310	129	335	118.3%	108.1%
Central Bus Lines of N.C.	37	43	37	38	100.0	88.4
City Coach Co., Inc.	62	67	72	76	116.1	113.4
Conover-Newton Bus Lines, Inc.	27	N/R	31	N/R	114.8	—
D. & M. Bus Co.	N/R	424	N/R	401	—	94.6
Dillahunt, John T.	6	6	9	10	150.0	166.7
Emma Bus Lines, Inc.	143	N/R	142	N/R	99.3	—
Gaston-Lincoln Transit, Inc.	148	232	144	220	97.3	94.8
Houston Transport Co., Inc.	146	165	146	169	100.0	102.4
Kenion, Daniel H.	11	N/R	16	N/R	145.5	—
Macon Tours	N/R	N/R	N/R	N/R	—	—
Nooney Bus Lines, Inc.	48	50	50	51	104.2	102.0
Northcutt, Med C.	4	2	5	3	125.0	150.0
Piedmont Bus Lines, Inc.	104	98	121	122	116.3	124.5
Reuse Transportation Co.	172	200	175	184	101.7	92.0
Safety Transit Lines	310	350	300	296	96.8	84.6
Shelby Bus Lines, Inc.	89	105	89	103	100.0	98.1
Silver Fox Lines	30	38	31	37	103.3	97.4
Smoky Mt./Highland Tours, Inc.	—0—	N/R	—0—	N/R	—	—
Travelines of Carolina	—0—	—0—	—0—	—0—	—	—
Twin State Coach Lines	82	N/R	74	N/R	90.2	—
Virginia Dare Transportation Co., Inc.	186	196	182	205	97.8	104.6
Williams Bus Rental						

N/R Report not submitted or in dormant status.

FIGURE NO. 59

MOTOR PASSENGER CARRIERS — INTRACITY — CLASSES II & III

Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1979 & 1980
(North Carolina and Systemwide Data Noted)

(Figures in 000's except where noted)

Item	Year	Class II[1] Duke Power Co. Durham	Duke Power Co. Greensboro	Total Class II	Class III Carolina Transit Lines of Charlotte, Inc.	Charlotte City Coach Lines[2]	Gastonia Transit Co.	Kannapolis Transit Co., Inc.	Rockingham Hamlet Bus Lines	Safety Transit Co., Inc.	Statesville Motor Coach Co.	Suburban Bus Lines, Inc.	Total Class III
Operating & Financial Data													
Operating Revenues	1979	$ 959,512	$ 439,481	$1,398,993	$200,207	$ —0—	$139,361	$194,117	$ 5,561	$298,399	$233,527	$ 14,635	$1,085,807
	1980	934,988	460,564	1,395,552	240,038	—0—	137,675	190,279	3,556	340,587	N/R	20,770	932,905
Operating Expenses	1979	1,717,762	1,231,621	2,949,383	178,394	698	102,953	187,129	5,002	316,993	270,884	15,867	1,077,920
	1980	2,010,186	1,402,752	3,412,938	190,756	641	121,331	160,557	4,745	348,128	N/R	19,057	845,215
Net Operating Revenues	1979	(758,250)	(792,140)	(1,550,390)	21,813	(698)	36,408	6,988	559	(18,594)	(37,357)	(1,232)	7,887
	1980	(1,075,198)	(942,188)	(2,017,386)	49,282	(641)	16,344	29,722	(1,189)	(7,541)	N/R	1,713	87,690
Operating Ratios (Percent)	1979	179.0	280.2	210.8	89.1	—0—	73.9	96.4	89.9	106.2	116.0	108.4	99.3
	1980	215.0	304.6	244.6	79.5	—0—	88.1	84.4	133.4	102.2	—	91.8	90.6
Other Income or (Deductions) — Net	1979	—0—	—0—	—0—	20,404	—0—	(11,963)	(760)	(236)	(2,262)	3,711	25	8,919
	1980	—0—	—0—	—0—	3,570	—0—	(9,816)	602	—0—	(3,452)	N/R	—0—	(9,096)
Income Taxes — Net	1979	—0—	—0—	—0—	7,520	—0—	—0—	—0—	—0—	(225)	—0—	—0—	7,295
	1980	—0—	—0—	—0—	3,171	—0—	—0—	—0—	—0—	—0—	N/R	—0—	3,171
Net Income after Income Taxes	1979	(758,250)	(792,140)	(1,550,390)	34,697	(698)	24,445	6,228	323	(20,631)	(33,646)	(1,207)	9,511
	1980	($1,075,198)	$(942,188)	($2,017,386)	$ 49,681	$ (641)	$ 6,528	$ 30,324	$ (1,189)	$ (10,993)	N/R	1,713	$ 75,423
Statistics (Actual)													
Length of bus route—miles—one way	1979	53	75	128	12	10	5	290	N/A	68	4	10	339
	1980	53	75	128	12	10	5	290	N/A	68	N/R	10	395
Total number of buses owned	1979	7	6	13	5	—0—	11	7	N/A	42	8	1	74
	1980	7	6	13	6	—0—	11	3	N/A	42	N/R	1	63
Avg. number of buses operated daily	1979	24	15	39	3	—0—	8	2	N/A	31	5	1	50
	1980	22	15	37	3	—0—	8	2	N/A	31	N/R	1	45
Total bus miles operated — yearly	1979	970,262	772,204	1,742,466	230,084	—0—	N/A	224,939	N/A	355,392	219,527	8,164	1,038,106
	1980	971,689	777,116	1,748,805	209,670	—0—	114,187	140,449	N/A	332,645	N/R	8,217	805,168
Total revenue passengers hauled during year	1979	1,970,583	1,001,362	2,971,945	38,892	—0—	N/A	427,025	N/A	916,570	N/A	N/A	1,382,487
	1980	1,946,002	1,055,827	3,001,829	34,022	—0—	N/A	347,571	N/A	803,225	N/R	N/A	1,184,818
Total school passengers hauled during year	1979	144,605	17,549	162,154	—0—	—0—	N/A	—0—	N/A	672,088	N/A	—0—	672,088
(Included in total passengers hauled)	1980	158,790	18,201	176,991	—0—	—0—	N/A	—0—	N/A	623,403	N/R	—0—	623,403
Average fare per revenue passenger — w/a — cents	1979	N/A	N/A	N/A	$ 5.23	—0—	N/A	$ .50	N/A	$ .50	N/A	N/A	—
	1980	N/A	N/A	N/A	$ 7.06	—0—	N/A	$ .50	N/A	$ .50	N/R	N/A	—
School passenger fare range	1979	N/A	N/A	N/A	—0—	—0—	N/A	—0—	N/A	.30	N/A	—0—	—
	1980	N/A	N/A	N/A	—0—	—0—	N/A	—0—	N/A	.35	N/R	—0—	—
Average number of bus drivers	1979	51	37	88	4	—0—	N/A	6	N/A	33	6	1	50
	1980	51	38	89	4	—0—	8	6	N/A	33	N/R	1	52
Average number of full-time N.C. employees	1979	84	76	160	6	—0—	N/A	9	N/A	40	10	1	66
	1980	86	77	163	6	—0—	11	9	N/A	41	N/R	1	68
Total N.C. salaries & wages	1979	$1,018,792	$ 580,059	$1,598,851	$ 73,679	$ —0—	$ 40,723	$ 69,378	$ N/A	$162,947	$ 48,699	$ 1,508	$ 396,934
	1980	$1,145,805	$ 817,096	$1,962,901	$ 79,997	$ —0—	$ 53,909	$ 43,116	$ N/A	$167,796	$ N/R	$ 1,804	$ 346,622

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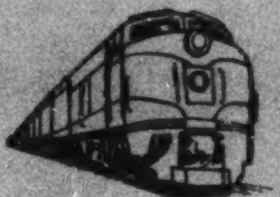
[1] Due to reclassification effective 1-1-80, there are no Class I carriers classified as Intracity.

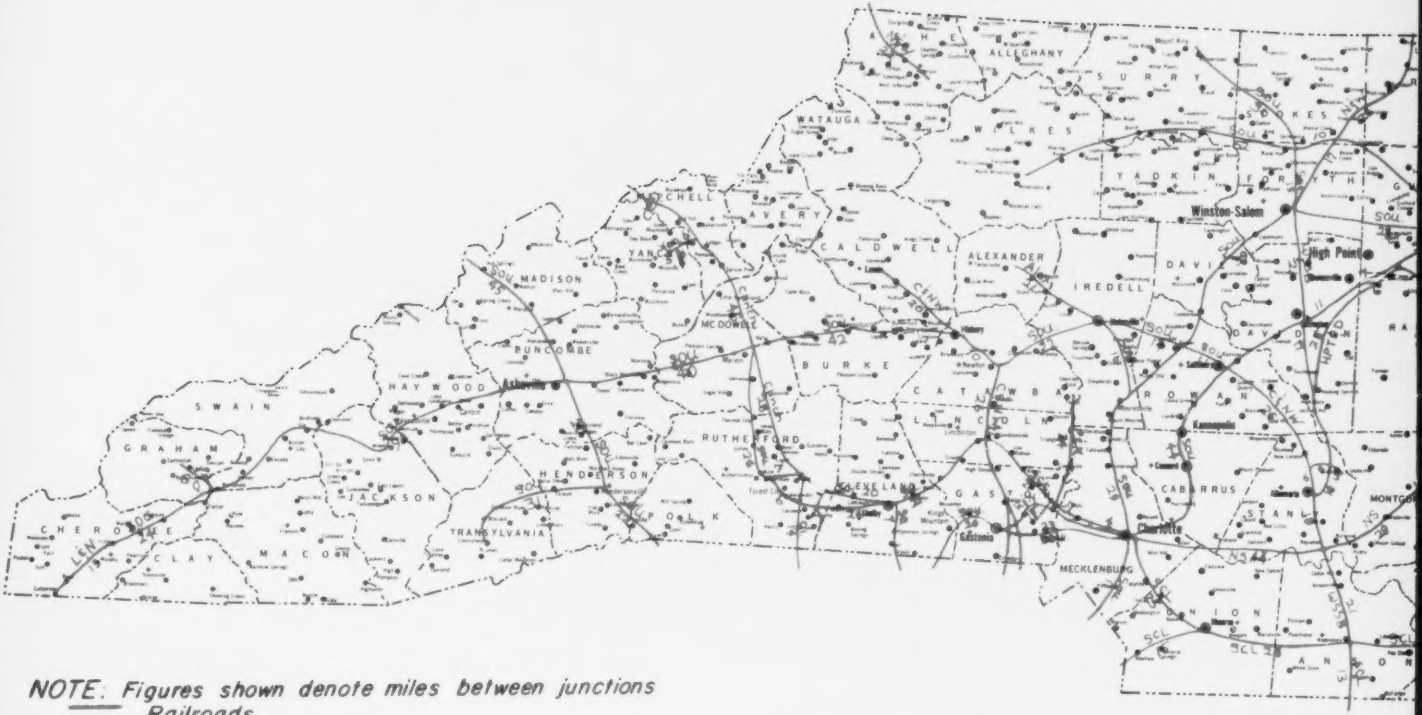
[2] Leased to Charlotte Transit System, Inc.

N/A — Not available, report not complete

N/R — No report submitted or in dormant status



XI. The Transportation Industry—Railroads


ASHE
ALLEGHANY
SURRY
STOKES
WATAUGA
WILKES
YADKIN
FORSYTH
Winston-Salem
High Point
CHELL
AVERY
CALDWELL
ALEXANDER
IREDELL
DAVI
MADISON
YANC
MC DOWELL
BURKE
PUNCOMBE
HAYWOOD
Asheville
SWAIN
CATAWBA
LINCOLN
ROWAN
Kannapolis
GRAHAM
RUTHERFORD
HENDERSON
CLEVELAND
GAS
Gastonia
Charlotte
CABARRUS
STANL
MONTGO
JACKSON
CHEROKEE
CLAY
MACON
TRANSYLVANIA
POLK
MECKLENBURG
UNION
AN
SOU
CLINCH
SCL
NS
LEN
42
40
26
13

NOTE: Figures shown denote miles between junctions

— Railroads

o County Seats

• Other Towns or Junctions

FIGURE NO. 60

MAP OF

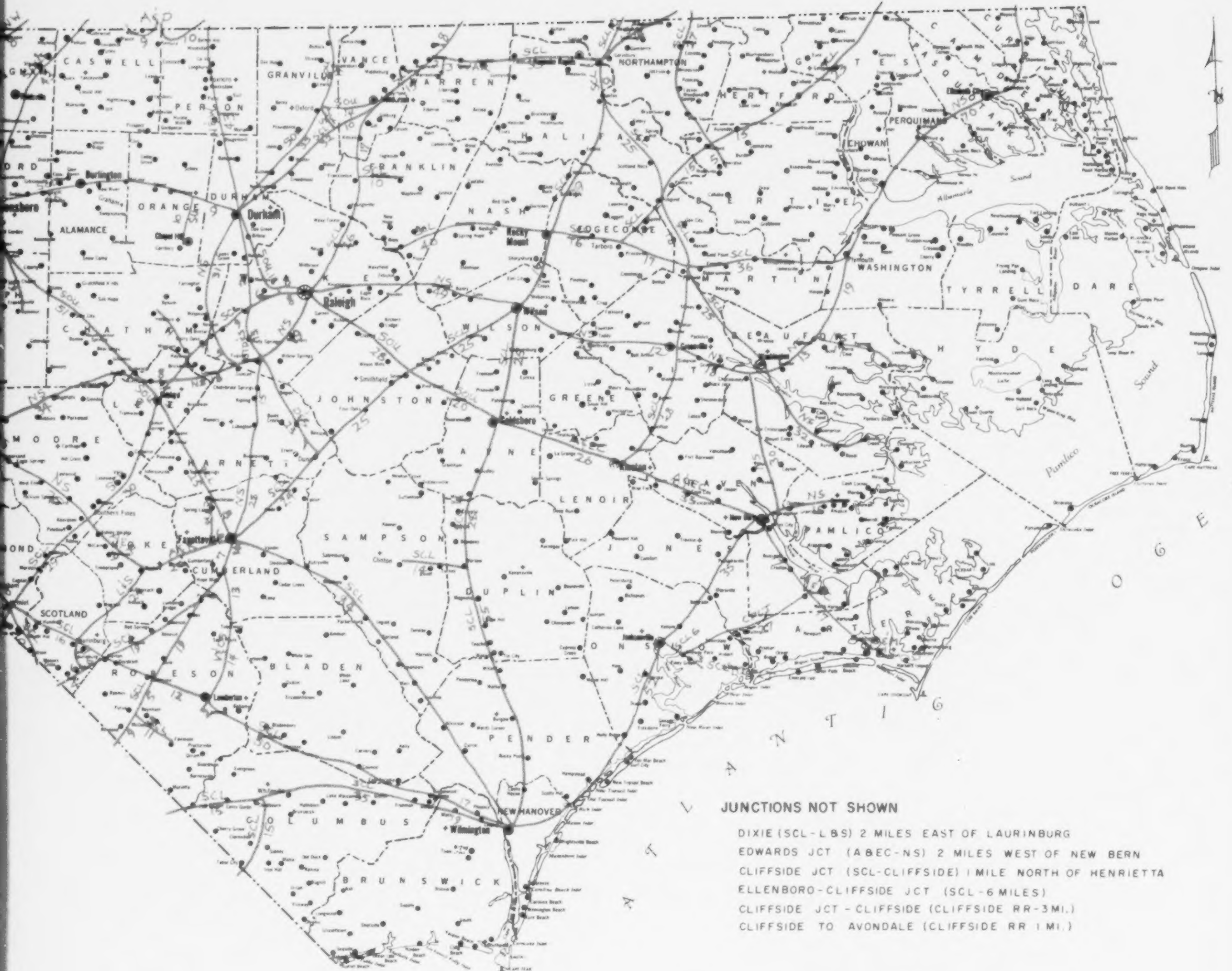
NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.

1980


CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
HERTFORD
GATES
CAMDEN
CURRITUCK
PASQUOTANK
PERQUIMANS
CHOWAN
HALIFAX
FRANKLIN
NASH
EDGECOMBE
BERTIE
MARTIN
WASHINGTON
TYRRELL
DARE
ALAMANCE
ORANGE
DURHAM
Durham
Chapel Hill
Burlington
WAKE
Raleigh
Rocky Mount
Wilson
CHATHAM
LEE
WILSON
PITT
BEAUFORT
HYDE
JOHNSTON
GREENE
Goldsboro
Kinston
MOORE
HARNETT
WAYNE
LENOIR
CRAVEN
PAMLICO
New Bern
SAMPSON
HOKE
Fayetteville
CUMBERLAND
JONES
DUPLIN
ONSLOW
CARTERET
SCOTLAND
ROBESON
Lumberton
BLADEN
PENDER
NEW HANOVER
Wilmington
COLUMBUS
BRUNSWICK
Albemarle Sound
Pamlico Sound
SCL
SOU
NS
ATLANTIC OCEAN

JUNCTIONS NOT SHOWN

DIXIE (SCL-LBS) 2 MILES EAST OF LAURINBURG
EDWARDS JCT (A&EC-NS) 2 MILES WEST OF NEW BERN
CLIFFSIDE JCT (SCL-CLIFFSIDE) 1 MILE NORTH OF HENRIETTA
ELLENBORO-CLIFFSIDE JCT (SCL-6 MILES)
CLIFFSIDE JCT - CLIFFSIDE (CLIFFSIDE RR-3 MI.)
CLIFFSIDE TO AVONDALE (CLIFFSIDE RR 1 MI.)

FIGURE NO. 61

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA

AS OF DECEMBER 31, 1979 and 1980

		Main Business Office	Abbreviation	Class	Mileage Operated				1980 % in N.C.
					North Carolina		System		
					1979	1980	1979	1980	
1.	Aberdeen and Rockfish Railroad Co.	Aberdeen, N.C.	A&R	III	47	47	47	47	100.0%
2.	Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	19	100.0
3.	Atlantic and East Carolina Railway Co.	Washington, D.C.	A&EC	III	95	95	95	95	100.0
4.	Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	3	100.0
5.	Beaufort and Morehead Railroad (A.T. Leary, Lessee)	Beaufort, N.C.	B&MN	III	4	4	4	4	100.0
6.	Camp LeJeune Railroad Co.	Washington, D.C.	CLRR	III	30	30	30	30	100.0
7.	Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	10	10	10	10	100.0
8.	Cliffside Railroad Co.	Cliffside, N.C.	Cliff	III	4	4	4	4	100.0
9.	Clinchfield Railroad Co.	Jacksonville, Fla.	CRR	I	117	117	296	296	39.5
10.	Durham and Southern Railway Co.	Durham, N.C.	D&S	III	57	57	57	57	100.0
11.	Graham County Railroad Co.	Robbinsville, N.C.	G.C.	III	12	12	12	12	100.0
12.	High Point, Thomasville & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	34	34	34	34	100.0
13.	Laurinburg and Southern Railroad Co.	Laurinburg, N.C.	LSR	III	28	28	28	28	100.0
14.	Louisville and Nashville Railroad Co.	Louisville, Ky.	L&N	I	13	13	6,632	6,570	.2
15.	Norfolk and Western Railway Co.	Roanoke, Va.	N&W	I	95	95	7,454	7,448	1.3
16.	Norfolk, Franklin and Danville Railway Co.	Suffolk, Va.	NFD	III	22	22	180	180	12.2
17.	Norfolk Southern Railway Co.	Washington, D.C.	NS	II	732	732	854	854	85.7
18.	Seaboard Coast Line Railroad Co.	Jacksonville, Fla.	SCL	I	1,565	1,527	8,850	8,740	17.5
19.	Southern Railway Co.	Washington, D.C.	Sou	I	1,162	1,162	5,819	5,798	20.0
20.	State University Railroad Co.	Washington, D.C.	S.T.U.	III	10	10	10	10	100.0
21.	Warrenton Rail Road Co.	Warrenton, N.C.	W.R.R.	III	3	3	3	3	100.0
22.	Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	87	87	87	87	100.0
23.	Yancey Railroad Co., Inc.	Burnsville, N.C.	Yancey	III	12	12	12	12	100.0
		TOTALS			4,161	4,123	30,540	30,341	13.6

Interstate Commerce Commission classification adopted by N.C. Utilities Commission effective January 1, 1978:
Class I — Railroads having annual revenues of $50,000,000 or more.
Class II — Railroads having annual revenues of $10,000,000-$50,000,000.
Class III — Railroads having annual revenues of less than $10,000,000.

THE TRANSPORTATION INDUSTRY—RAILROADS

A. GENERAL COMMENTS

Twenty-three (23) railroads operated 4,123 miles of trackage in North Carolina as of December 31, 1980. All of these railroads were operated under the jurisdiction of the North Carolina Utilities Commission (see Figure No. 61).

Prior to December 31, 1977, the 23 railroads were classified as follows:

Class I — $10,000,000 or more annual revenue	6
Class II — Less than $10,000,000 annual revenue	17

However, effective January 1978 the ICC and the North Carolina Utilities Commission reclassified the railroads as follows:

Class I — $50,000,000 or more annual revenue	5
Class II — $10,000,000 to $50,000,000 annual revenue	1
Class III — Less than $10,000,000 annual revenue	17

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

The decreasing trend in passenger service is typical of the national pattern. When AMTRAK was formed in 1970 only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL), and Southern Railway Company.

Seaboard Coast Line Railroad Company joined AMTRAK and as a result AMTRAK now operates passenger trains over the rails of SCL: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh and Hamlet, North Carolina; Nos. 83 and 84, the Silver Meteor, between Boston, Massachusetts, and Miami, Florida, serving Rocky Mount, North Carolina, as a conditional stop; and Nos. 85 and 86, the Champion, operating between Boston, Massachusetts, and St. Petersburg, Florida, with stops at Rocky Mount, Wilson, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979 AMTRAK took over and began operation of the Southern Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1979 and 1980, as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973 to 1980 the Commission enlarged the scope of its rail safety program by the addition of two Rail Safety Engineers whose spheres of responsibility include the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these two engineers encompassed onsite inspections of track conditions, equipment, and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to onsite inspections, these engineers also conduct inspection of company records to ensure compliance with the rail safety regulations.

D. MOBILE AGENCY CONCEPT AND STATION CLOSINGS IN NORTH CAROLINA

Mobile Agency Concept

A major innovation in rail freight transportation has been the implementation, upon Commission approval after investigation and hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent serving one town on a 5-day, 40-hour week or less basis with a mobile agent operating a special radio-equipped van, serving by highway, several small towns in a given area on a variable route 6 days per week and calling on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency, station manned 13 hours per day, 6 days per week, which in turn is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency toll-free and conduct such business with the railroad as is necessary. In addition, the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The following mobile agency concepts were approved by the Commission in 1979 and 1980:

MOBILE AGENCY CONCEPTS APPROVED

Docket Number	Date of Order	Location of Mobile Agency	Change in Service	N.C. Towns or Communities Served By Mobile Agency
		SEABOARD COAST LINE RAILROAD COMPANY		
R-71, Sub 94	12-19-80	Jacksonville, N.C.	Mobile Agency Concept	Abolish Jacksonville, Goldsboro, and Warsaw, N.C. Establish three new Mobile Agencies at Goldsboro, Greenville, and Wilmington, N.C.
		SOUTHERN RAILWAY COMPANY		
R-29, Sub 325	3-19-80	Greensboro, N.C.	Mobile Agency Concept	Guilford College. Friendship

Station Closings

Station Closings

The railroads in 1979 and 1980 continued their activity in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the volume of freight handled at the particular location being the main reason given.

Following are the companies, locations, and facilities affected by Commission action after hearings or notice of hearing to the general public located in the respective areas:

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
Period 1979-1980

Docket Number	Date of Order	Location of Facility (North Carolina)	Disposition of Facility
		ABERDEEN & ROCKFISH RAILROAD COMPANY	
R-8, Sub 3	3-17-80	Fayetteville, N.C.	Relocate Freight Agency Station
		DURHAM & SOUTHERN RAILWAY COMPANY	
R-20, Sub 8	3-5-79	Holland, N.C.	Team Track Retired — Mobile Agency Station Discontinued
R-20, Sub 10	10-23-80	Upchurch, N.C.	Team Track Retired — Nonagency Station Discontinued
		NORFOLK SOUTHERN RAILWAY COMPANY	
R-4, Sub 106	2-9-79	Pinehurst, N.C.	Relocate Public Team Track
R-4, Sub 108	9-27-79	Gulf, N.C.	Remove Side Track
R-4, Sub 109	9-27-79	Hudson, N.C.	Remove Side Track
R-4, Sub 110	12-21-79	Hickory, N.C.	Remove Side Track
R-4, Sub 111	10-3-79	Lincolnton, N.C.	Remove Side Track
R-4, Sub 112	7-29-79	Long Shoals, N.C.	Remove Side Track
R-4, Sub 113	12-14-79	Dallas, N.C.	Remove Side Track
R-4, Sub 114	10-3-79	Dallas, N.C.	Remove Side Track
R-4, Sub 116	10-3-79	Maiden, N.C.	Remove Side Track
R-4, Sub 117	10-3-79	Dallas, N.C.	Remove Side Track
R-4, Sub 118	10-3-79	Lincolnton, N.C.	Remove Team Track
R-4, Sub 119	10-3-79	Lenoir, N.C.	Remove Side Track
R-4, Sub 120	10-3-79	Lenoir, N.C.	Remove Side Track
R-4, Sub 121	7-10-79	Lenoir, N.C.	Remove Side Track
R-4, Sub 122	7-10-79	Gastonia, N.C.	Remove Side Track
R-4, Sub 123	7-10-79	Gastonia, N.C.	Remove Side Track
R-4, Sub 124	7-12-79	Gastonia, N.C.	Remove Side Track
R-4, Sub 125	7-12-79	Gastonia, N.C.	Remove Side Track
R-4, Sub 126	7-16-79	Gastonia, N.C.	Remove Side Track
R-4, Sub 127	10-3-79	High Shoals, N.C.	Remove Team Track
R-4, Sub 128	7-16-79	Hudson, N.C.	Remove Side Track
R-4, Sub 129	12-21-79	Hudson, N.C.	Remove Side Track
R-4, Sub 130	10-3-79	Maiden N.C.	Remove Team Track
R-4, Sub 132	10-17-79	Raleigh, N.C.	Remove Team Track
R-4, Sub 133	12-19-79	Aberdeen, N.C.	Remove Team Track
R-4, Sub 134	8-30-79	Varina, N.C.	Remove Fuquay Springs from Open and Prepay Tariff; Change Name of Varina to Fuquay-Varina
R-4, Sub 135	10-17-80	Fayetteville, N.C.	Remove a Portion of Side Track
R-4, Sub 136	8-14-80	Moss, N.C.	Discontinue Station
R-4, Sub 137	8-14-80	Crescent, N.C.	Discontinue Station
		SEABOARD COAST LINE RAILROAD COMPANY	
R-71, Sub 89	5-24-79	Godwin, N.C.	Retire Team Track and Discontinue Station
		SOUTHERN RAILWAY COMPANY	
R-29, Sub 301	2-9-79	Davie, N.C.	Remove Switch and Side Track
R-29, Sub 302	2-9-79	Greensboro, N.C.	Retire and Remove Side Track
R-29, Sub 303	8-6-79	Winston-Salem, N.C.	Remove Side Track
R-29, Sub 304	5-24-79	Linwood, N.C.	Discontinue Agency Service at Salisbury and Lexington, N.C. Add Service at Linwood, N.C.
R-29, Sub 305	5-24-79	Colfax, N.C.	Remove Side Track
R-29, Sub 306	5-24-79	Concord, N.C.	Remove Side Track
R-29, Sub 307	5-24-79	Winston-Salem, N.C.	Remove Side Track
R-29, Sub 308	5-24-79	Charlotte, N.C.	Remove Side Track
R-29, Sub 309	1-4-80	Hauser Siding, N.C.	Discontinue Station
R-29, Sub 310	1-4-80	Shoal, N.C.	Discontinue Station
R-29, Sub 311	7-3-79	Oxford, N.C.	Relocate Freight Agency Station Building
R-29, Sub 312	5-24-79	Liberty, N.C.	Remove Side Track
R-29, Sub 313	5-3-79	Greensboro, N.C.	Old Passenger Station Building Donated to City of Greensboro
R-29, Sub 314	6-27-79	Salisbury, N.C.	Remove Side Track
R-29, Sub 315	10-3-79	Mebane, N.C.	Remove Side Track
R-29, Sub 316	7-3-79	Sylva, N.C.	Remove Side Track
R-29, Sub 317	4-2-80	Winston-Salem, N.C.	Remove a Portion of Track
R-29, Sub 318	11-9-79	Biltmore, N.C.	Retire and Remove Old Depot Building
R-29, Sub 319	12-30-80	Mt. Airy, N.C.	Retire 220 feet Side Track
R-29, Sub 320	12-30-80	Mt. Airy, N.C.	Remove 128 feet Side Track
R-29, Sub 322	12-19-79	Stokesdale, N.C.	Remove Side Track
R-29, Sub 323	1-24-80	North Wilkesboro, N.C.	Remove Side Track
R-29, Sub 324	2-28-80	Rural Hill, N.C.	Relocate Freight Depot Station; Dispose of Old Freight Depot Station; Construct New Freight Depot Station.
R-29, Sub 326	6-19-80	Durham, N.C.	Sell and Remove Freight Depot Station
R-29, Sub 327	7-29-80	Griffith, N.C.	Remove Portion of Side Track
R-29, Sub 329	8-28-80	Mt. Mourne, N.C.	Discontinue Station
R-29, Sub 330	7-29-80	Cooleemee, N.C.	Discontinue Station
R-29, Sub 334	11-26-80	Valdese, N.C.	Retire and Remove Side Track
R-29, Sub 335	9-18-80	Mocksville, N.C.	Sell and Remove Freight Depot Building
R-29, Sub 337	11-20-80	Statesville, N.C.	Remove Side Track

E. RAIL CROSSINGS — ACCIDENTS AND INJURIES

There were 6,765 highway-railroad grade crossings in North Carolina in 1980, as compared with 6,653 in 1979. During 1980, there were 34 deaths and 96 injuries, and in 1979 there were 19 deaths and 159 injuries. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, is in the Highway Commission, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of all the railroads increased in 1980 over 1979, 14.1% for the portion allocated to North Carolina and 11.6% for the total system. Operating expenses also increased in 1980, 13.6% for the North Carolina portion and 11.0% for total system.

The North Carolina operating ratio remained fairly constant for the period 1978-1980; 96.7% in 1978, 97.2% in 1979, and to 96.7% in 1980. See Figure No. 62.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, decreased by .8% in 1980 over 1979, compared with a 5.2% decrease in 1979 over 1978. Figure No. 63 shows for several years the tons of freight, by major commodity groups, that originated in North Carolina. Changes in the commodity groups do not necessarily indicate the total state level of activity in these groups since there are alternate modes of transportation available for their movement.

The number of employees residing in North Carolina and working for the railroads increased by 44 in 1980; average compensation for the workers increased by 3.8% for the same period and reached an average of $20,285 for the 7,031 employees.

See Figure No. 64 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 62

RAILROAD CLASSES I, II, & III
OPERATING REVENUES, EXPENSES & RATIOS

(North Carolina Data Only)
For the Years 1960, 1965, 1970, 1975, 1978-1980

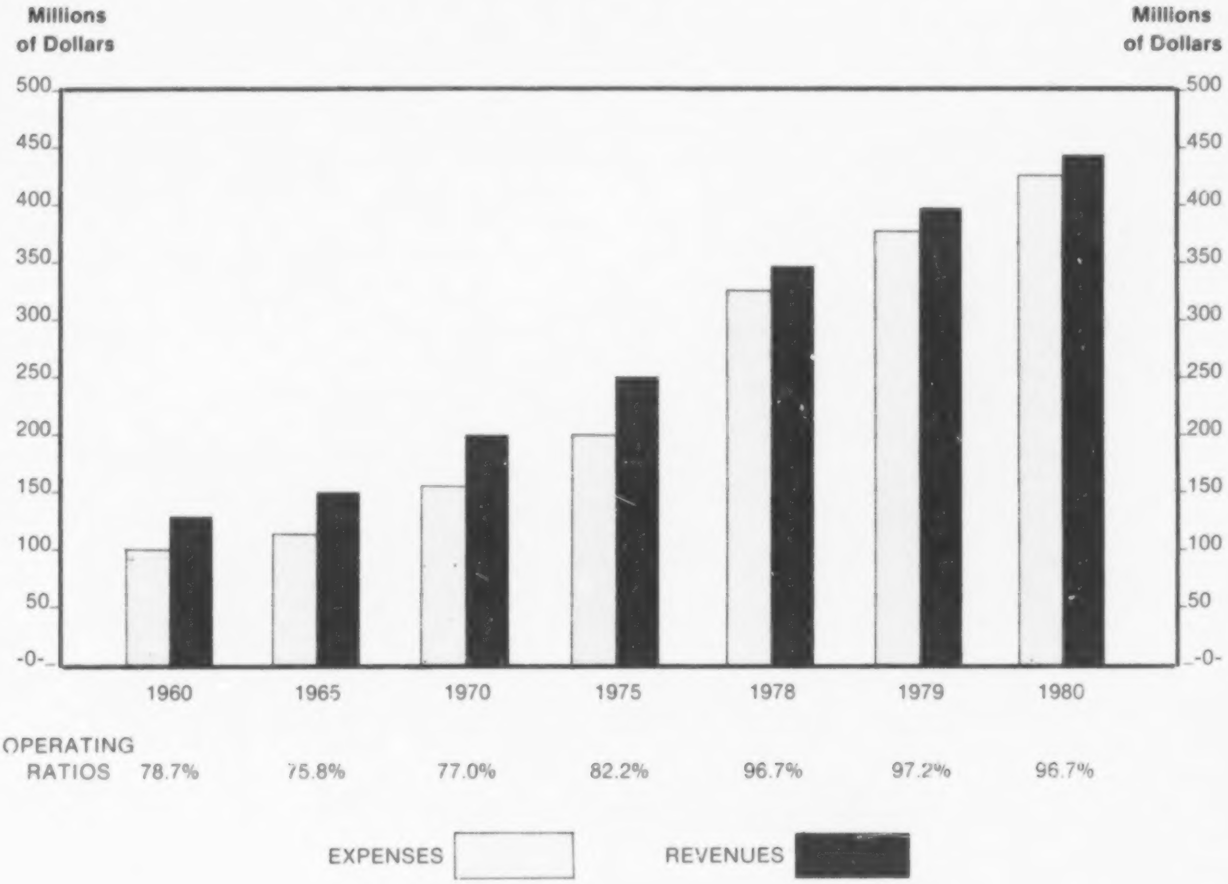


FIGURE NO. 63

TONS (2,000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING WITHIN THE STATE OF NORTH CAROLINA ON THE CLASS I, II, and III RAILROADS UNDER REGULATION

Data for the Years 1960, 1965, 1970, 1975, 1978-1980

	TONS OF REVENUE FREIGHT ORIGINATING IN STATE (000'S)							% Change More (Less)
GROUP AND COMMODITY	1960	1965	1970	1975	1978	1979	1980	1980-1979
Group I — Products of Agriculture	766	1,488	2,125	3,195	2,696	2,821	3,130	11.0%
Group II — Animals and Products	36	7	22	9	12	24	20	(16.7)
Group III — Products of Mines	4,904	5,421	5,776	3,080	3,234	2,870	1,982	(30.9)
Group IV — Products of Forests	3,647	4,639	6,403	4,267	4,781	4,502	4,639	3.0
Group V — Manufacturers & Miscl.	4,294	5,884	8,832	9,007	10,342	9,748	10,028	2.9
Group VI — Forwarder Traffic*	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.
Group VII — All Less than Carload Freight (LCL)	92	33	7	51	3	-0-	4	400.0
Total for All Groups	13,739	17,472	23,165	19,609	21,068	19,965	19,803	(.8)%

**N. Apl. — Not applicable*

FIGURE NO. 64

RAILROADS — CLASS I, II AND III
SUMMARY OF SELECTED DATA — INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS

For the Calendar years 1960, 1965, 1970, 1975, 1978-1980
All Railroads Under Regulation Included in this Data

	Allocation of Data	CLASS I AND II							% Change More (Less)
		1960	1965	1970	1975	1978	1979	1980	1980-1979
No. of Companies Covered by Data:		8	8	6	6	6	6	6	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 120,401	$ 140,701	$ 192,795	$ 237,456	$ 327,693	$ 369,670	$ 424,893	14.9
	Total	1,083,951	1,592,074	2,072,069	2,838,455	3,640,573	4,507,144	5,031,268	11.6
Operating Expenses:[1]	N.C.	95,518	107,743	150,734	197,725	317,708	361,679	412,898	14.2
	Total	866,136	1,141,031	1,536,621	2,127,880	3,281,309	3,896,298	4,327,113	11.1
Net Revenue from Railroad Operations	N.C.	24,883	32,958	42,061	39,731	9,985	7,991	11,995	50.1
	Total	$ 217,815	$ 451,043	$ 535,448	$ 710,575	$ 359,264	$ 610,846	$ 704,155	15.3
Operating Ratio (Percent)	N.C.	79.3	76.6	78.2	83.3	96.9	97.8	97.2	(.6)
	Total	79.7	71.7	74.2	75.0	90.1	86.4	86.0	(.5)
Fixed Charges	Total	$ 48,233	$ 82,308	$ 123,631	$ 155,903	$ 172,724	$ 185,357	$ 192,466	3.8
Net Income	Total	128,663	184,718	182,430	252,814	341,555	536,994	647,454	20.6
State Income Taxes	N.C.	N/A	412	370	584	947	1,189	2,611	119.6
Real Estate & Personal Property Taxes	N.C.	N/A	3,394	3,036	3,420	3,923	4,089	4,417	8.0
Other N.C. Taxes[2]	N.C.	N/A	758	2,625	4,279	5,669	6,152	5,240	(14.8)
Total Tax Accruals	N.C.	N/A	4,564	6,031	8,283	10,539	11,430	12,268	7.3
	Total	N/A	$ 156,653	$ 171,480	$ 264,376	$ 346,716	$ 444,398	$ 477,912	7.5
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$2,873,588	$3,816,261	$4,597,303	$5,116,622	$5,575,762	$5,816,568	$6,202,901	6.6
Statistics:									
Average Mile of Road Operated	N.C.	3,722	3,743	3,705	3,691	3,074	3,684	3,646	(1.0)
	Total	25,434	30,343	29,873	30,310	29,447	29,905	29,706	(.7)
Freight Revenue (in thousands)	N.C.	$ 104,098	$ 130,134	$ 181,027	$ 230,248	$ 308,615	$ 353,400	$ 406,338	15.0
	Total	$ 958,647	$1,449,866	$1,972,758	$2,751,770	$3,526,103	$4,368,548	$4,885,219	11.8
Tons of Revenue Freight Hauled (in thousands)	N.C.	63,636	86,772	107,529	99,140	108,806	113,927	118,441	4.0
	Total	348,481	506,307	559,173	635,355	566,367	580,003	586,593	1.1
Freight Revenue Per Ton	N.C.	$ 1.64	$ 1.50	$ 1.79	$ 2.32	$ 2.84	$ 3.09	$ 3.44	11.3
	Total	$ 2.75	$ 2.86	$ 3.71	$ 4.33	$ 6.23	$ 7.58	$ 8.37	10.4
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	41,614	49,949	59,518	59,748	71,132	61,537	66,717	8.4
Passenger Revenue (in thousands)	N.C.	$ 8,795	$ 7,550	$ 4,675	$ 1,259	$ 1,309	$ N/A	$ N/A	N/A
Passengers Hauled (in thousands)	N.C.	2,009	1,764	928	169	126	N/A	N/A	N/A
Revenue Per Passenger	N.C.	$ 4.38	$ 4.28	$ 5.04	$ 7.46	$ 10.42	$ N/A	$ N/A	N/A
No. of Employees Allocated	N.C.	9,978	7,802	6,926	6,556	6,284	6,781	6,822	.6
Total Compensation of Employees (in thousands)	N.C.	$ 56,258	$ 53,604	$ 66,378	$ 92,890	$ 119,260	$ 133,059	$ 138,716	4.3
Average Annual Compensation per Employee	N.C.	$ 5,163	$ 6,871	$ 9,584	$ 14,169	$ 18,978	$ 19,622	$ 20,334	3.6
Highway Railroad Grade Crossings	N.C.	3,779	3,448	3,498	3,475	3,376	6,108	6,121	.2
No. Killed — Grade Crossing Accidents	N.C.	N/A	57	39	25	39	19	34	78.9
No. Injured — Grade Crossing Accidents	N.C.	N/A	133	175	129	163	149	95	(36.2)

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[1] Before Tax Accruals and Net Rent

[2] Includes Franchise Tax

[3] Effective 1/1/78, Class I & II railroads began recording their operations in conformance with the revised Uniform System of accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the 1978-1980 period; 1977 and prior was not restated to reflect the changes.

N/A Not Available

FIGURE NO. 64 (Continued)

RAILROADS — CLASS I, II AND III
SUMMARY OF SELECTED DATA — INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS

For the Calendar years 1960, 1965, 1970, 1975, 1978-1980
All Railroads Under Regulation Included in this Data

	Allocation of Data	CLASS III							% Change More (Less) 1980-1979
		1960	1965	1970	1975	1978	1979	1980	
No. of Companies Covered by Data:		21	21	17	17	16	15	15	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 7,104	$ 8,619	$11,603	$12,702	$15,074	$ 20,119	$ 19,967	(.8)
	Total	9,913	11,390	16,371	17,458	20,297	25,923	26,655	2.8
Operating Expenses:[1]	N.C.	4,771	5,483	6,630	7,827	13,812	17,247	17,396	.9
	Total	6,888	7,624	9,862	10,585	18,465	22,355	23,497	5.1
Net Revenue from Railroad Operations	N.C.	2,333	3,136	4,973	4,875	1,262	2,872	2,571	(10.5)
	Total	$ 3,025	$ 3,766	$ 6,509	$ 6,873	$ 1,832	$ 3,568	$ 3,158	(11.5)
Operating Ratio (Percent)	N.C.	67.2	63.6	57.1	61.6	91.6	85.7	87.1	1.6
	Total	69.5	66.9	60.2	60.6	91.0	86.2	88.2	2.3
Fixed Charges	Total	$ 485	$ 615	$ 1,227	$ 492	$ 308	$ 187	$ 249	33.2
Net Income	Total	(211)	399	1,758	1,991	3,104	2,942	2,862	(2.7)
State Income Taxes	N.C.	N/A	35	129	116	107	137	166	21.2
Real Estate & Personal Property Taxes	N.C.	N/A	157	122	133	141	111	74	(33.3)
Other N.C. Taxes[2]	N.C.	N/A	331	870	112	97	101	116	14.9
Total Tax Accruals	N.C.	N/A	523	1,121	361	344	376	356	(5.3)
	Total	N/A	$ 848	$ 1,950	$ 2,422	$ 1,184	$ 1,659	$ 1,785	7.6
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$11,797	$17,799	$ 22,007	$16,235	$ 17,189	$ 18,963	$ 18,315	(3.4)
Statistics:									
Average Mile of Road Operated	N.C.	697	721	635	478	465	453	425	(6.2)
	Total	1,037	1,028	945	661	623	611	583	(4.6)
Freight Revenue (in thousands)	N.C.	$ 6,930	$ 8,261	$ 11,442	$12,226	$13,823	$ 17,293	$ 17,457	.9
	Total	$ 9,696	$10,954	$ 15,830	$17,043	$19,219	$ 23,272	$ 23,632	1.5
Tons of Revenue Freight Hauled (in thousands)	N.C.	7,348	9,961	11,155	7,542	6,762	7,188	6,987	(2.8)
	Total	9,009	11,464	13,444	9,515	8,276	8,777	8,587	(2.2)
Freight Revenue Per Ton	N.C.	$ .94	$ .83	$ 1.04	$ 1.62	$ 2.04	$ 2.41	$ 2.50	3.7
	Total	$ 1.08	$ .96	$ 1.22	$ 1.79	$ 2.32	$ 2.65	$ 2.75	3.8
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	1,286	1,757	2,271	1,725	1,641	2,307	2,132	N/A
Passenger Revenue (in thousands)	N.C.	2	1	N/A	-0-	-0-	N/A	N/A	N/A
Passengers Hauled (in thousands)	N.C.	4	1	N/A	-0-	-0-	N/A	N/A	N/A
Revenue Per Passenger	N.C.	.51	.70	N/A	-0-	-0-	N/A	N/A	1.5
No. of Employees Allocated	N.C.	599	584	414	313	247	206	209	13.7
Total Compensation of Employees (in thousands)	N.C.	$ 2,514	$ 2,851	$ 3,089	$ 3,335	$ 3,462	$ 3,434	$ 3,906	12.1
Average Annual Compensation per Employee	N.C.	$ 3,529	$ 4,331	$ 7,463	$10,655	$ 14,015	$ 16,670	$ 18,689	18.2
Highway Railroad Grade Crossings	N.C.	640	973	864	589	694	545	644	-0-
No. Killed — Grade Crossing Accidents	N.C.	N/A	7	-0-	-0-	3	-0-	-0-	(90.0)
No. Injured — Grade Crossing Accidents	N.C.	N/A	11	8	6	6	10	1	

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[1] Before Tax Accruals and Net Rent

[2] Includes Franchise Tax

[3] Effective 1/1/78, Class I & II railroads began recording their operations in conformance with the revised Uniform System of accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the 1978-1980 period; 1977 and prior was not restated to reflect the changes.

N/A Not Available

FIGURE NO. 64 (Continued)

RAILROADS — CLASS I, II, AND III
SUMMARY OF SELECTED DATA — INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS

For the Calendar years 1960, 1965, 1970, 1975, 1978-1980
All Railroads Under Regulation Included in this Data

	Allocation of Data	Grand Total — CLASS I II, & III							% Change More (Less)
		1960	1965	1970	1975	1978	1979	1980	1980-1979
No. of Companies Covered by Data:		29	29	23	23	22	21	21	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 127,505	$ 149,320	$ 204,398	$ 250,158	$ 342,767	$ 389,789	$ 444,860	14.1
	Total	1,093,864	1,603,464	2,088,440	2,855,913	3,660,870	4,533,067	5,057,923	11.6
Operating Expenses:[1]	N.C.	100,289	113,226	157,364	205,552	331,520	378,926	430,294	13.6
	Total	873,024	1,148,655	1,546,483	2,138,465	3,299,774	3,918,653	4,350,610	11.0
Net Revenue from Railroad Operations	N.C.	27,216	36,094	47,034	44,606	11,247	10,863	14,566	34.1
	Total	$ 220,840	$ 454,809	$ 541,957	$ 717,448	$ 361,096	$ 614,414	$ 707,313	15.1
Operating Ratio (Percent)	N.C.	78.7	75.8	77.0	82.2	96.7	97.2	96.7	(.5)
	Total	79.8	71.6	74.1	74.9	90.1	86.4	86.0	(.5)
Fixed Charges	Total	$ 48,718	$ 82,923	$ 124,858	$ 156,395	$ 173,032	$ 185,544	$ 192,715	3.9
Net Income	Total	$ 128,452	$ 185,117	$ 184,188	$ 254,805	$ 344,659	$ 539,936	$ 650,316	20.4
State Income Taxes	N.C.	N/A	447	499	700	1,054	1,326	2,777	109.4
Real Estate & Personal Property Taxes	N.C.	N/A	3,551	3,158	3,554	4,064	4,200	4,491	6.9
Other N.C. Taxes[2]	N.C.	N/A	1,089	3,494	4,391	5,765	6,253	5,356	1.6
Total Tax Accruals	N.C.	N/A	5,087	7,151	8,644	10,883	11,806	12,624	6.9
	Total	N/A	$ 157,501	$ 173,425	$ 266,798	$ 347,900	$ 446,057	$ 479,697	7.5
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$2,885,385	$3,834,060	$4,619,310	$5,132,857	$5,592,951	$5,835,531	$6,221,216	6.6
Statistics:									
Average Mile of Road Operated	N.C.	4,419	4,464	4,340	4,169	3,539	4,137	4,071	(1.6)
	Total	26,471	31,371	30,818	30,971	30,070	30,516	30,289	(.7)
Freight Revenue (in thousands)	N.C.	$ 111,028	$ 138,395	$ 192,469	$ 242,474	$ 322,438	$ 370,693	$ 423,795	14.3
	Total	$ 968,343	$1,460,820	$1,988,588	$2,768,813	$3,545,322	$4,391,820	$4,908,851	11.8
Tons of Revenue Freight Hauled (in thousands)	N.C.	70,984	96,733	118,684	106,682	115,568	121,115	125,428	3.6
	Total	357,490	517,771	572,617	644,870	574,643	588,780	595,180	1.1
Freight Revenue Per Ton	N.C.	$ 1.56	$ 1.43	$ 1.72	$ 2.27	$ 2.79	$ 3.06	$ 3.38	10.5
	Total	$ 2.71	$ 2.82	$ 3.65	$ 4.29	$ 6.17	$ 7.46	$ 8.25	10.6
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	42,900	51,706	61,789	61,473	72,773	63,844	68,849	7.8
Passenger Revenue (in thousands)	N.C.	$ 8,797	$ 7,551	$ 4,675	$ 1,259	$ 1,309	$ N/A	$ N/A	N/A
Passengers Hauled (in thousands)	N.C.	2,013	1,765	928	169	126	N/A	N/A	N/A
Revenue Per Passenger	N.C.	$ 4.37	$ 4.28	$ 5.04	$ 7.46	$ 10.42	$ N/A	$ N/A	N/A
No. of Employees Allocated	N.C.	10,577	8,386	7,340	6,869	6,531	6,987	7,031	.6
Total Compensation of Employees (in thousands)	N.C.	$ 58,772	$ 56,455	$ 69,467	$ 96,225	$ 122,722	$ 136,493	$ 142,622	4.5
Average Annual Compensation per Employee	N.C.	$ 5,557	$ 6,732	$ 9,464	$ 14,009	$ 18,791	$ 19,535	$ 20,285	3.8
Highway Railroad Grade Crossings	N.C.	4,419	4,421	4,362	4,064	4,070	6,653	6,765	1.7
No. Killed — Grade Crossing Accidents	N.C.	N/A	64	39	25	42	19	34	78.9
No. Injured -- Grade Crossing Accidents	N.C.	N/A	144	183	135	169	159	96	(39.6)

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[1] Before Tax Accruals and Net Rent

[2] Includes Franchise Tax

[3] Effective 1/1/78, Class I & II railroads began recording their operations in conformance with the revised Uniform System of accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the 1978-1980 period; 1977 and prior was not restated to reflect the changes.

N/A Not Available

XII. Investigation And Enforcement

INVESTIGATION AND ENFORCEMENT

G.S. 62-277 of the Public Utilities Act of 1963, which became effective January 1, 1964, vested the Transportation Inspectors and Special Investigators employed by the Commission with the same enforcement and police powers as members of the State Highway Patrol in enforcing provisions of the law applicable to motor transportation for which the Utilities Commission has responsibility. The Commission has eleven (11) of these inspectors domiciled throughout the State.

During 1978, 1979 and 1980 these inspectors made investigations or inspections and traveled as shown on Figure No. 65.

During 1980, the inspectors, working at check points throughout the State, inspected 464 buses in detail and made limited inspections and observations of over 26,000 trucks. A vehicle discovered to have defects which would render it hazardous to operate is grounded on the spot, and required to be repaired before being allowed to proceed. This inspection program has contributed much to the safety of the general traveling public and to the motor carrier operations conducted over the highways of this State.

During the course of a year, the transportation inspectors and special investigators:

(a) Inspect and grade all bus passenger stations in the State every ninety (90) days:

(b) Inspect freight terminals to ensure that the movement of freight is kept current, and that facilities have adequate sanitation, safety, security, and space for handling of freight;

(c) Inspect motor carriers' home offices to ensure correct and adequate maintenance of economic, driver and safety records;

(d) Make numerous random inspections of shipping documents, motor carrier operations, and cargoes of vehicles engaged in either intrastate or interstate movements of commodities and passengers for conformity with either the North Carolina Public Utilities Act or by the Interstate Commerce Act by cooperative agreement authorized under Public Law 89-170;

(e) Make numerous random inspections of vehicles, drivers, containers, packaging, shipping documents, labels, markings, and cargoes of vehicles engaged in either intrastate or interstate "for-hire" movements of commodities and passengers for conformity with the Federal Motor Carrier Safety Regulations, Parts 390-398, and the Federal Hazardous Materials Regulations, Parts 170-190, of the U.S. Department of Transportation as adopted under the Commission's rule-making process and by cooperative agreement authorized under Public Law 89-170;

(f) Furnish information and file written reports, on irregularities of vehicles, drivers, motor carrier operations, and cargoes of vehicles engaged in interstate movements of commodities and passengers to the Interstate Commerce Commission and the U.S. Department of Transportation through cooperative agreements authorized under Public Law 89-170;

(g) Investigate and file written reports on complaints and irregularities of vehicles, drivers, motor carrier operations, and cargoes of vehicles engaged in intrastate movements of commodities and passengers for the Commission;

(h) Assess penalties and registration fees to interstate motor carriers not in compliance with registration and insurance requirements of the Commission, pursuant to G.S. 62-266;

(i) Make an investigation of and file a written report on select motor carrier accidents resulting in the loss of life, serious bodily injury, or property damage in excess of $5,000 and give conclusions as to the underlying causes of the accident; and

(j) File written reports on all assigned initiated actions for compliance with Commission statutes and rules regarding complaints, inspections, surveys, investigations, surveillances, service of process, and litigations.

All infractions of safety rules on equipment discovered during the process of an inspection are reported to the Commission. During 1979 and 1980, there were 246 and 129 buses respectively which were found to have defects. Of the above defective buses, there were 56 in 1979 and 26 in 1980 which failed to pass the equipment and safety factor inspections by the Commission personnel and were grounded on the spot.

All infractions of the economic rules on motor carrier operations discovered during the process of highway inspections and investigations are reported to the Commission. During 1980, there were 2,371 violations of which 1,719 were interstate motor carrier operations lacking compliance with registration and insurance requirements, resulting in $37,225 in fees and penalties being collected.

Bus stations are inspected for sanitary and passenger comfort. Each station inspected is graded, and a report is made to the Commission. During 1980, 129 of the 464 bus stations graded were found to need improvement.

Thousands of vehicles of the regulated motor freight carriers and exempt "for hire" motor freight carriers were checked for equipment safety factors. During 1979, there were 17,030 defects detected and corrected, and in 1980, there were 16,483.

FIGURE NO. 65

SUMMARY OF INVESTIGATIONS AND INSPECTIONS
FOR THE CALENDAR YEARS 1976-1978

	Number of Items Investigated or Inspected			Vehicles Without Defects			Vehicles With Defects Not Grounded			Vehicles With Defects-Grounded			Number of Violations on Vehicles With Defects		
	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980
Number of Full Time Inspectors	11	11	11												
Stations—For Adequacy & Sanitation:															
Bus	785	756	318	225	214	113									
Railroad [1]	60	—0—	—0—	46	—0—	—0—									
Equipment & Safety Factors:															
Buses	903	671	464	621	425	335	227	191	129	55	56	26	627	762	475
Railroad [2]	4,202	2,175	—0—	858	575	858	2,652	1,270	—0—	692	330	—0—	15,821	6,985	—0—
Compliance with Rules:															
Freight Terminals	162	98	70												
Home Office Records	250	162	129												
Driver Safety Records	277	162	129												
Economic Factors:															
Vehicles & Commodities	8,377	9,743	10,850												
Violations Reported	2,270	1,952	2,317												
Status Reports Issued	127	97	52												

Action Initiated by the Commission: Due to Complaints by the Consuming Public and Competitons:	1978	1979	1980
Bus Companies	49	47	18
Truck Companies	239	272	273
Railroads	128	60	30
Other (Gas, Water, Elec., Telephone)	19	38	11
Accidents (Bus-Truck)	13	3	10
Accuracy & Methods of Quoting Schedules (Buses)	219	123	197
Show Case Orders Served	48	35	29

Total Miles Traveled by Inspectors:	1978	1979	1980
By Bus	905	462	—0—
By Railroad	—0—	—0—	—0—
By Car	315,972	277,171	296,584
TOTAL	316,877	277,633	296,584
Fees Collected by Inspectors: Penalties & Registration	$33,169	$28,081	$37,225

[1] All rail passenger traffic transferred to AMTRAC in early 1979

[2] No railroad equipment inspections made since 6-1-79